

**The Long-Term Implications of Current Defense Plans:
Detailed Update for Fiscal Year 2008 (March 2008)**

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The Long-Term Implications of Current Defense Plans:

Detailed Update for Fiscal Year 2008

All Funding in Billions of 2008 Dollars

Past and Projected Funding for Defense

The chart displays U.S. military spending from 1980 to 2025, categorized into six main components: Military Personnel, Military Construction, Operation and Maintenance, Family Housing, Research, Development, Test, and Evaluation, and Procurement. The spending is shown in billions of dollars. The chart is divided into three time periods: Actual (1980-2007), FYDP (2008-2012), and CBO Projection (2013-2025). A significant spike in spending is shown in 2008, labeled '2008 Supplemental Request', which is highlighted in pink. Other labels include '2007 Supplemental Appropriations', 'October 2006 Projection', 'With Contingency Unbudgeted Costs', and 'With Total Unbudgeted Costs'. The chart shows a general upward trend in spending over the period, with a notable increase in the FYDP and CBO Projection periods.

Figure 1-2 Updated

Past and Projected Spending for National Defense

(Billions of 2008 Dollars of Outlays and Outlays as a Percentage of Gross Domestic Product)

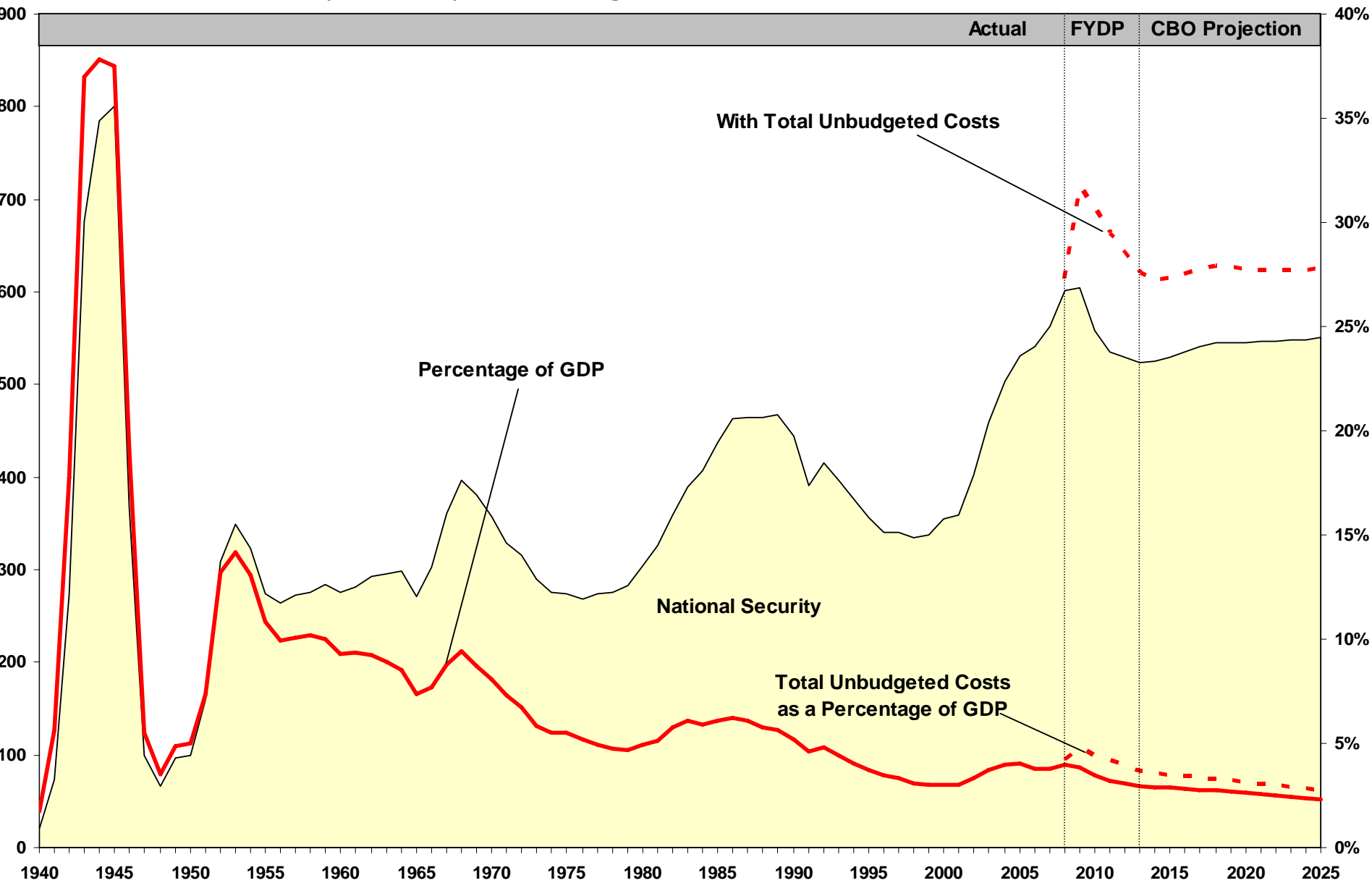


Figure 2-1 Updated

Funding for Operation and Support, by Functional Category

(Billions of 2008 Dollars of Total Obligational Authority)

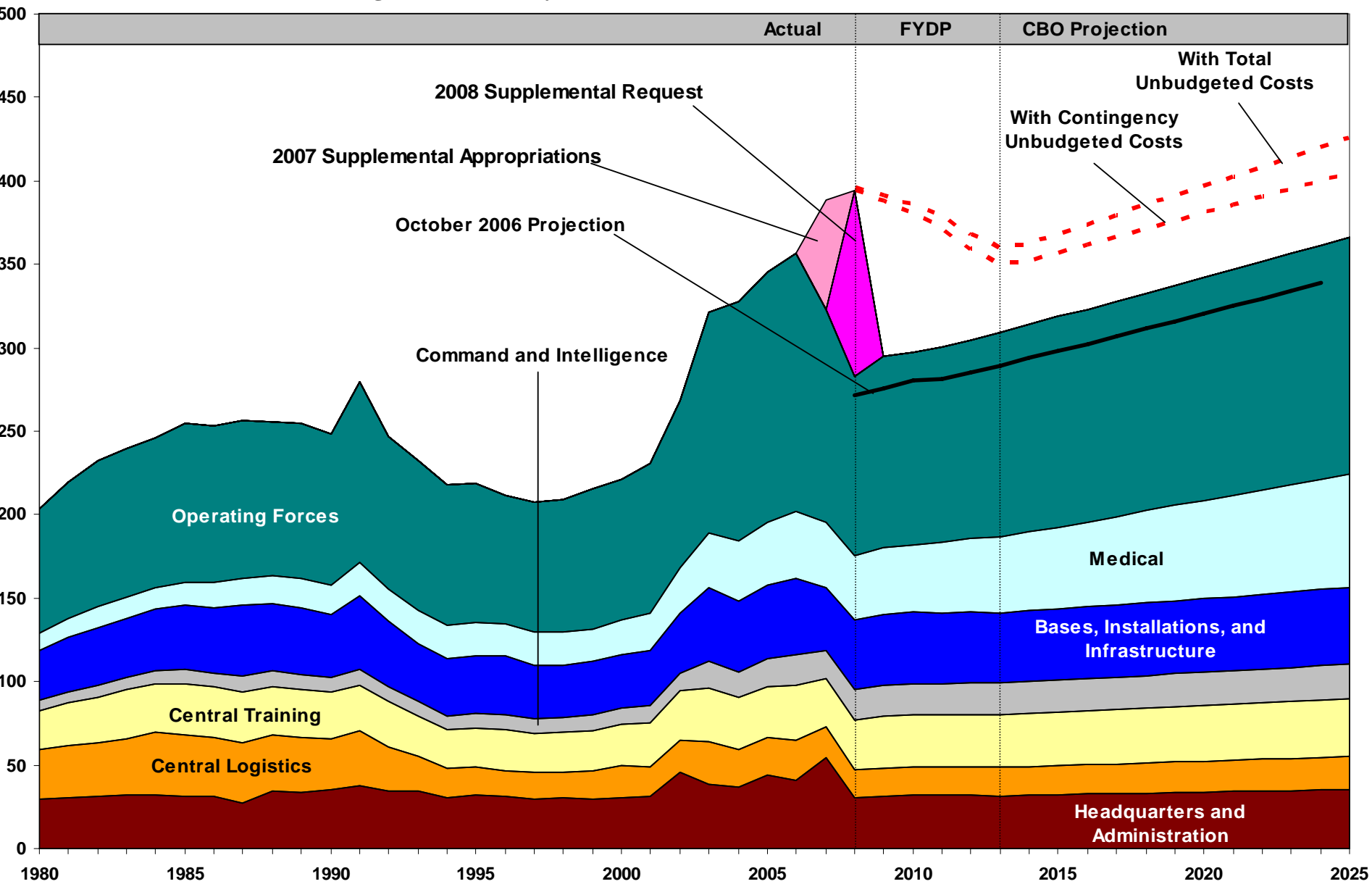


Figure 2-2 Updated

Funding for Operation and Support, by Military Department

(Billions of 2008 Dollars of Total Obligational Authority)

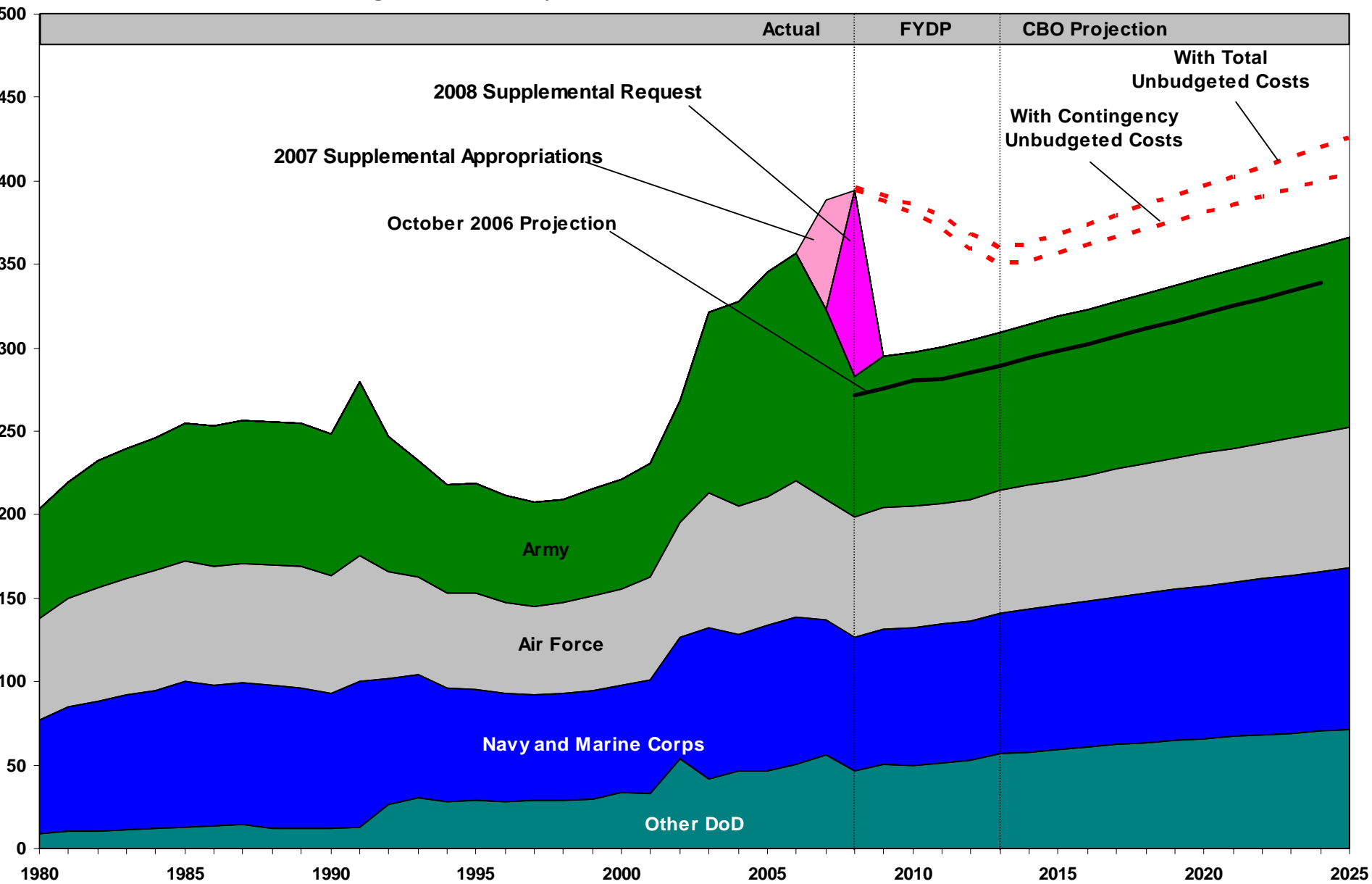


Figure 2-3 Updated

Funding for Operation and Support, by Account

(Billions of 2008 Dollars of Total Obligational Authority)

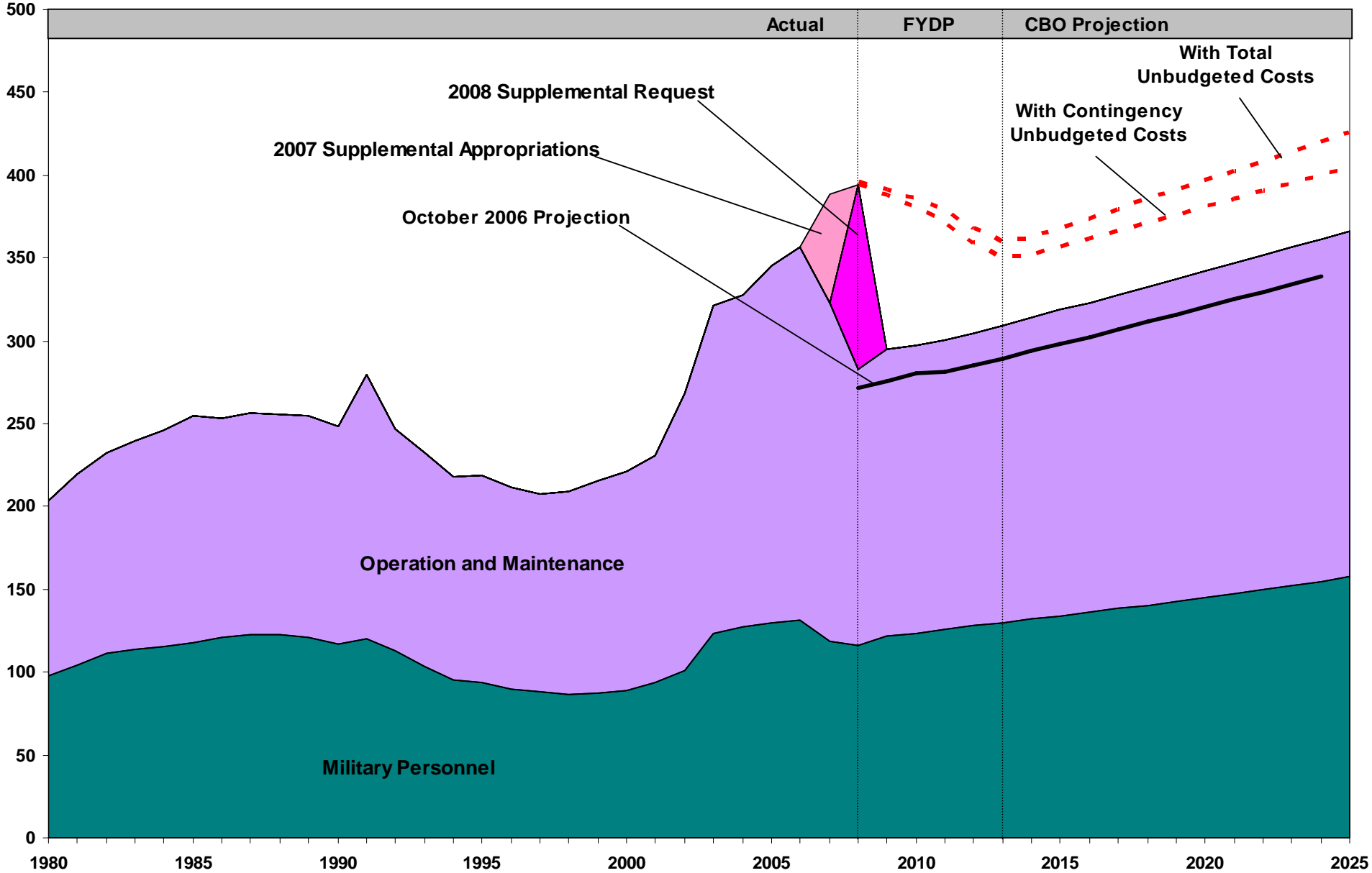


Figure 2-4 Updated

Funding for Operating Forces, by Military Department

(Billions of 2008 Dollars of Total Obligational Authority)

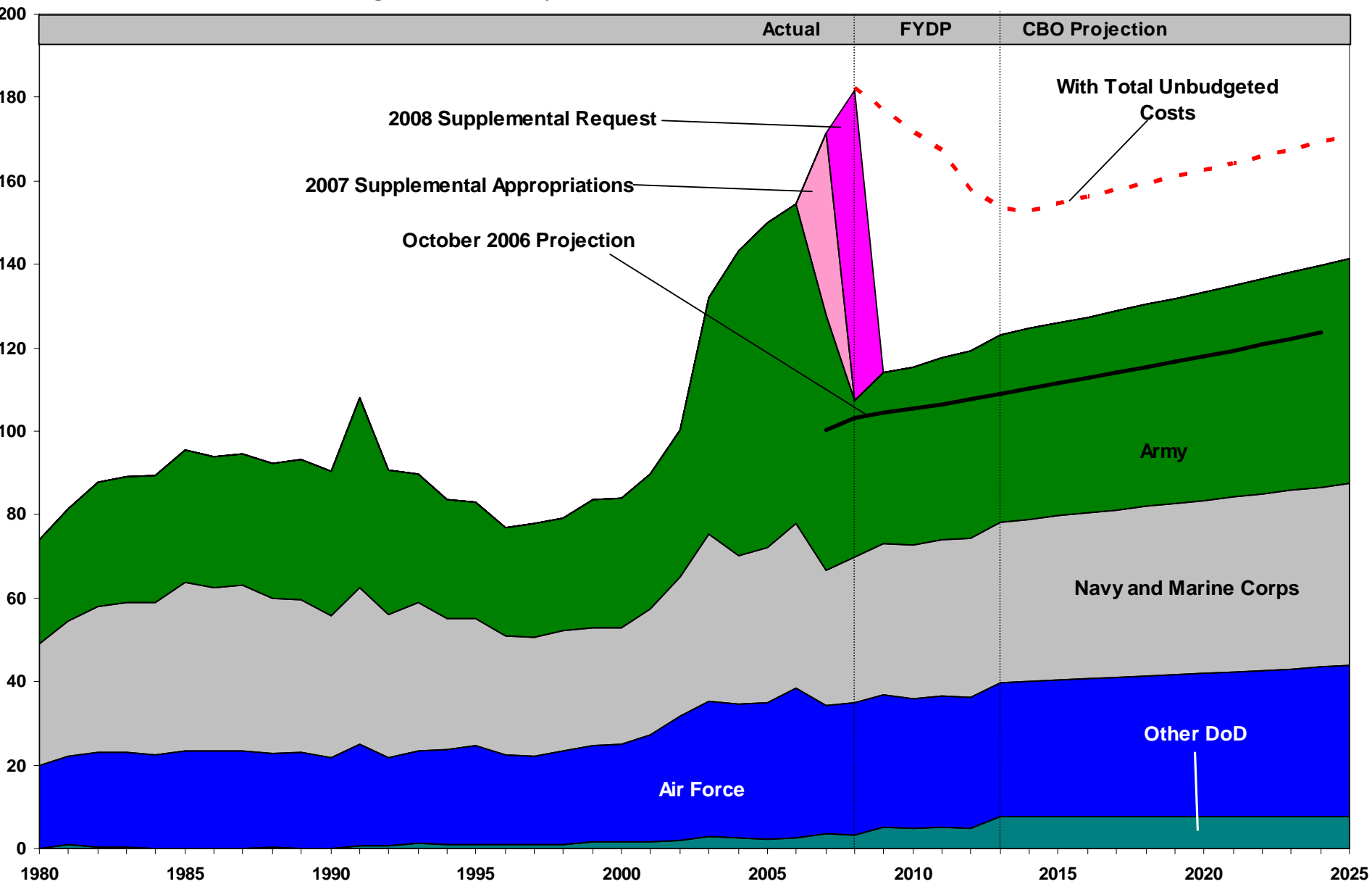


Figure 2-4a

Trends in Operation and Maintenance Funding per Active Duty Service Member

(Thousands of 2008 Dollars of Total Obligational Authority)

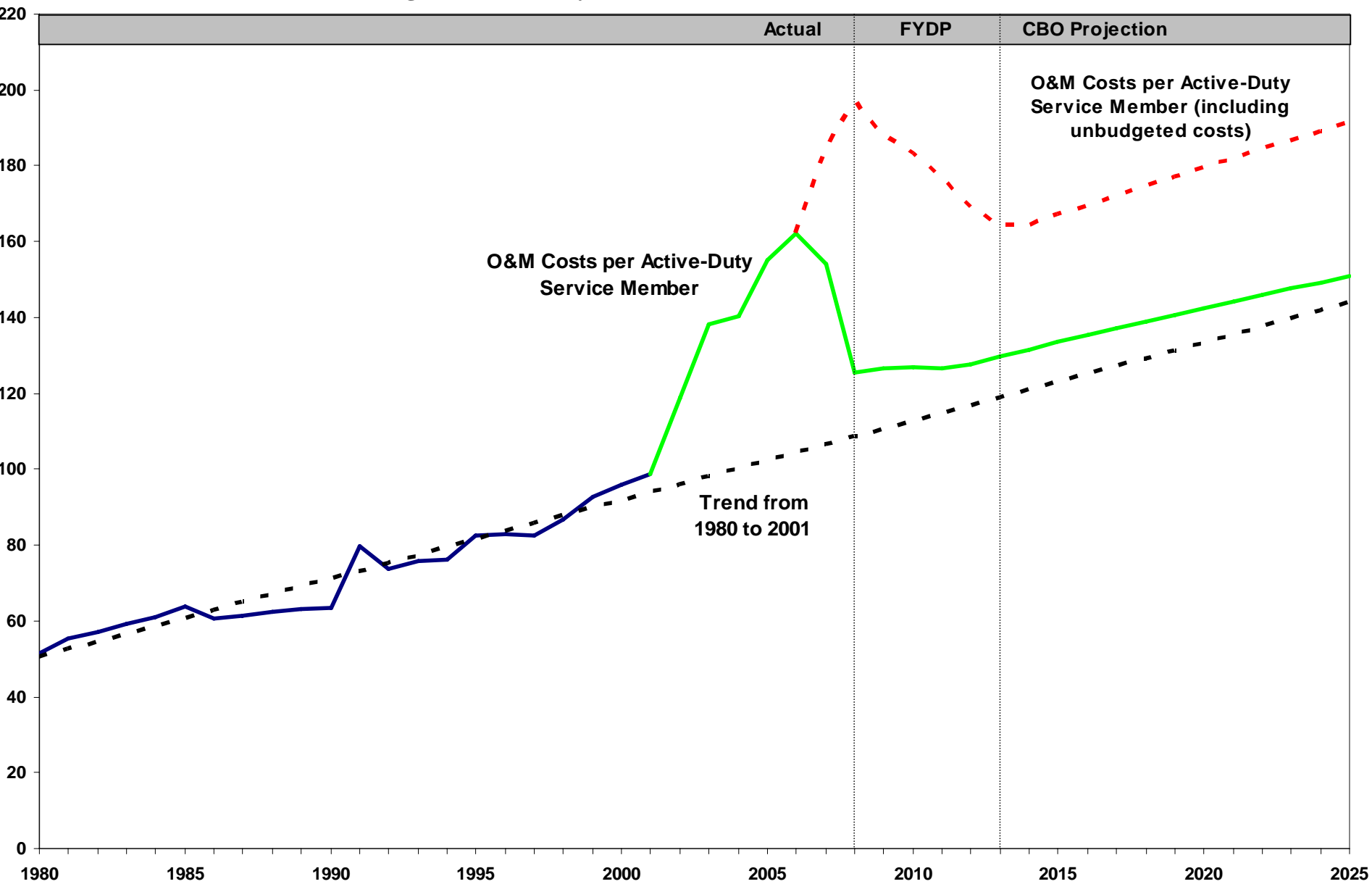


Figure 2-5 Updated

Funding for the Military Medical System, by Category

(Billions of 2008 Dollars of Total Obligational Authority)

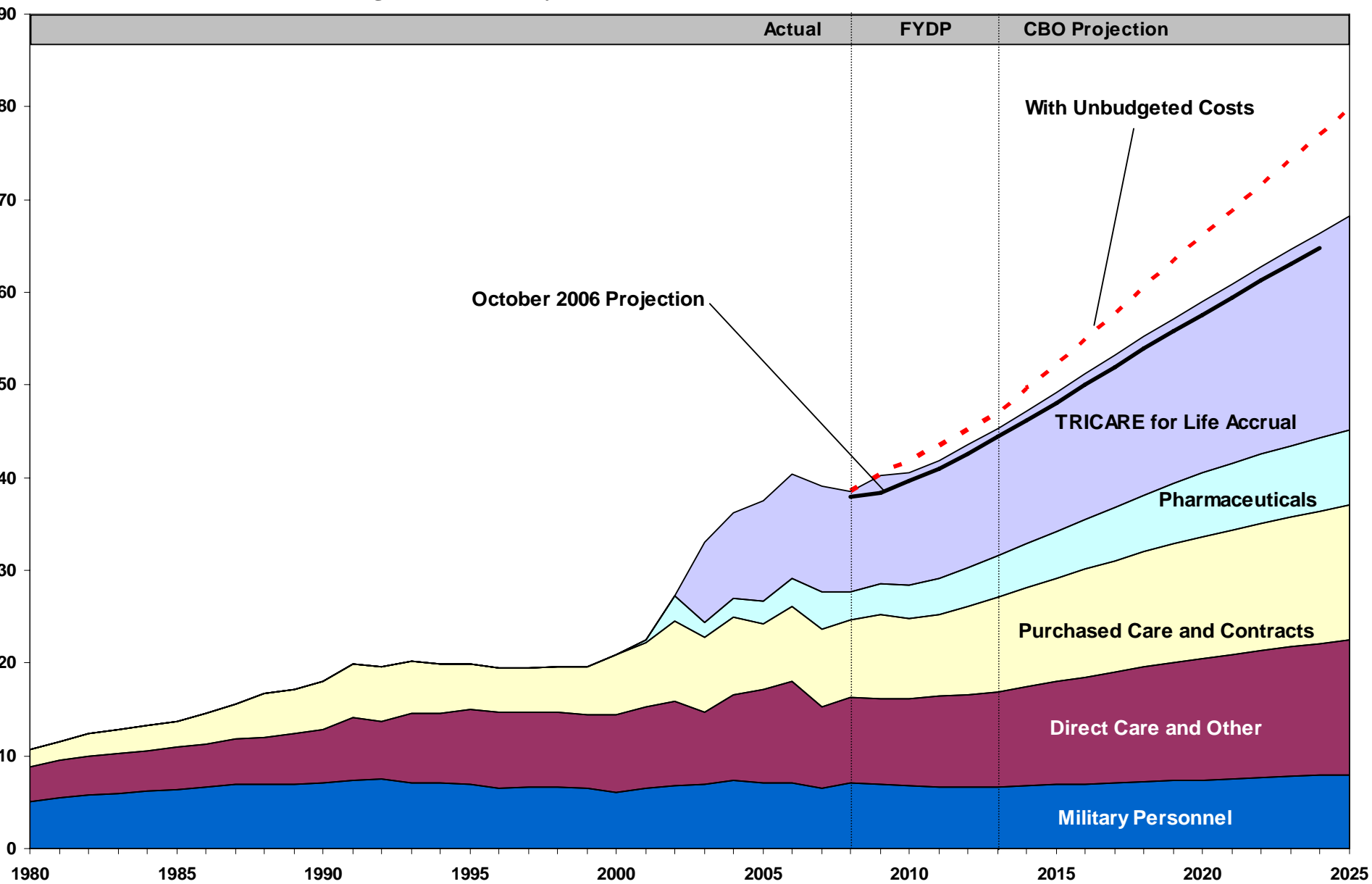


Figure 3-1 Updated

Funding for Investment, by Budget Account and Weapon Type

(Billions of 2008 Dollars of Total Obligational Authority)

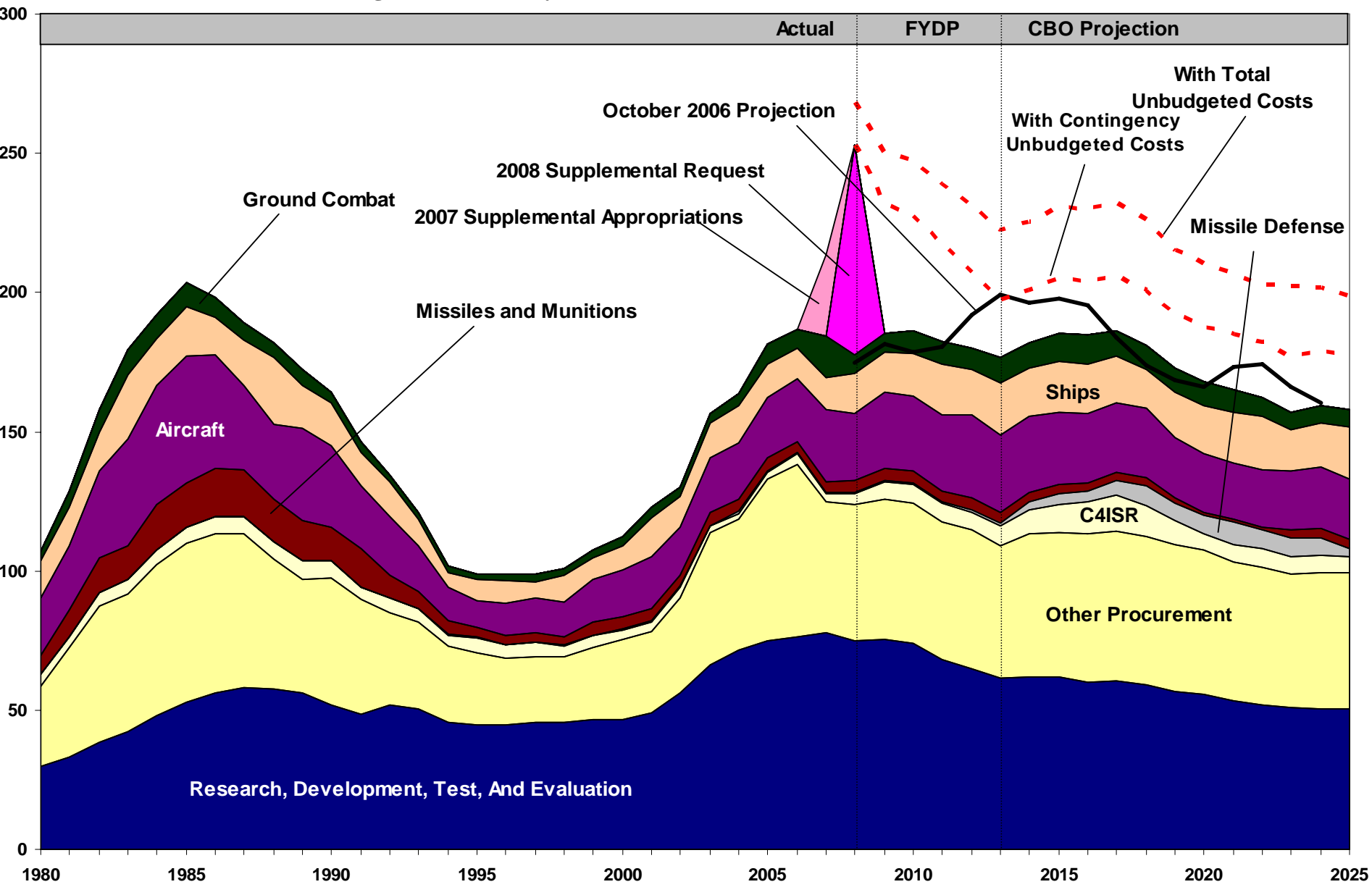


Figure 3-2 Updated

Funding for Investment, by Military Department

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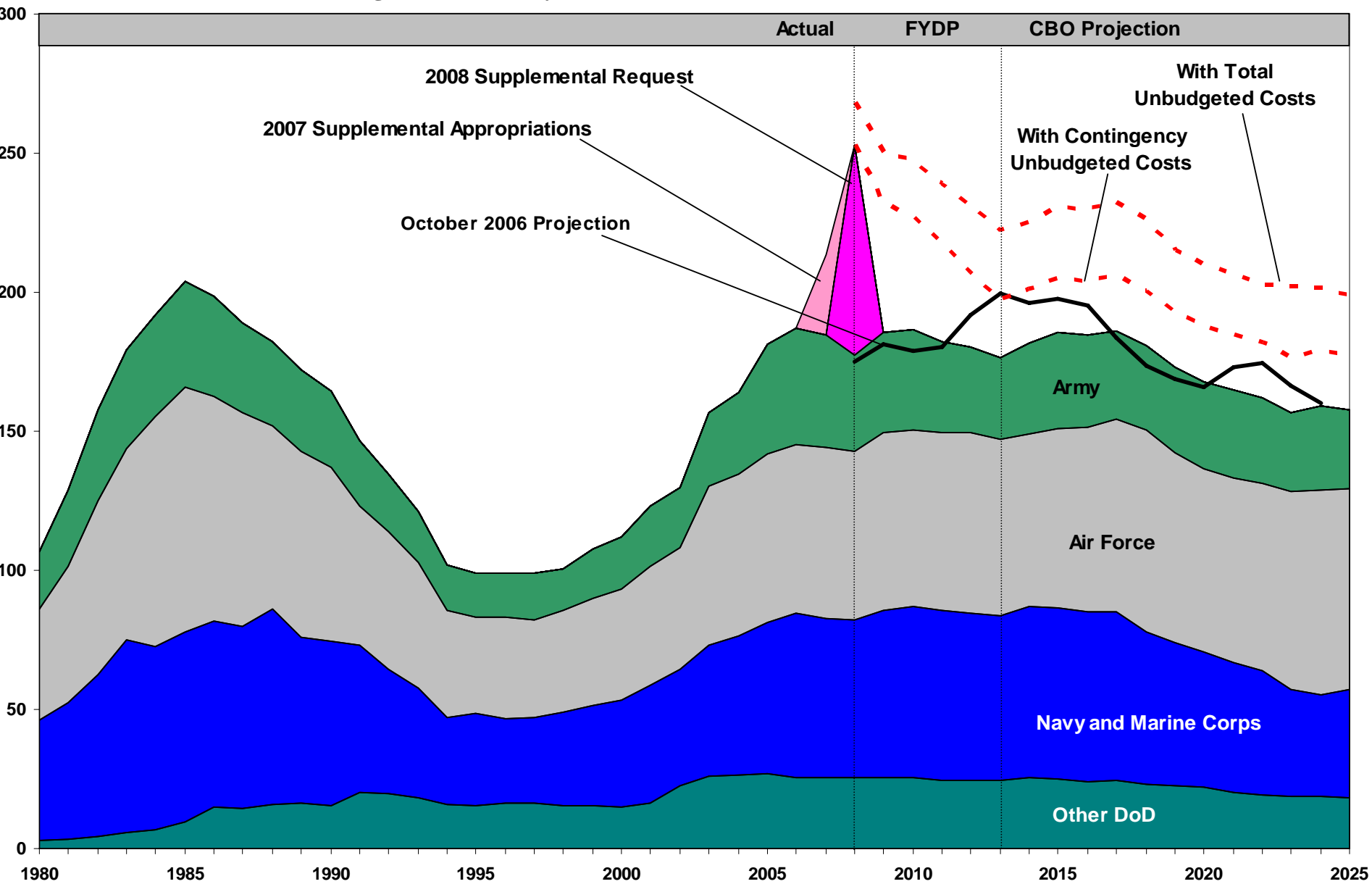


Figure 3-3 Updated

Past and Projected Army Funding for Investment

(Billions of 2008 Dollars of Total Obligational Authority)

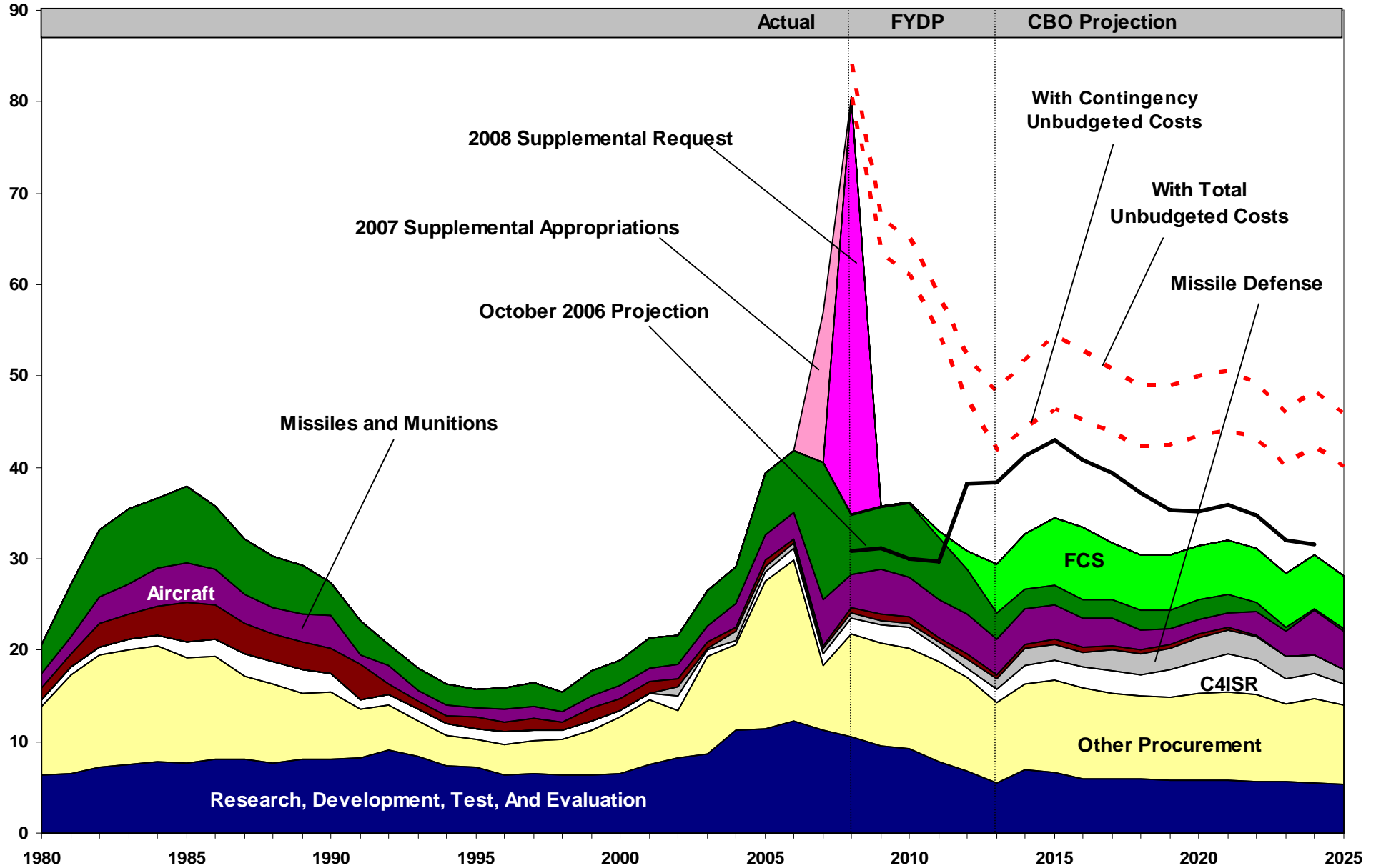


Figure 3-4 Updated

Procurement of Army Ground Combat Vehicles

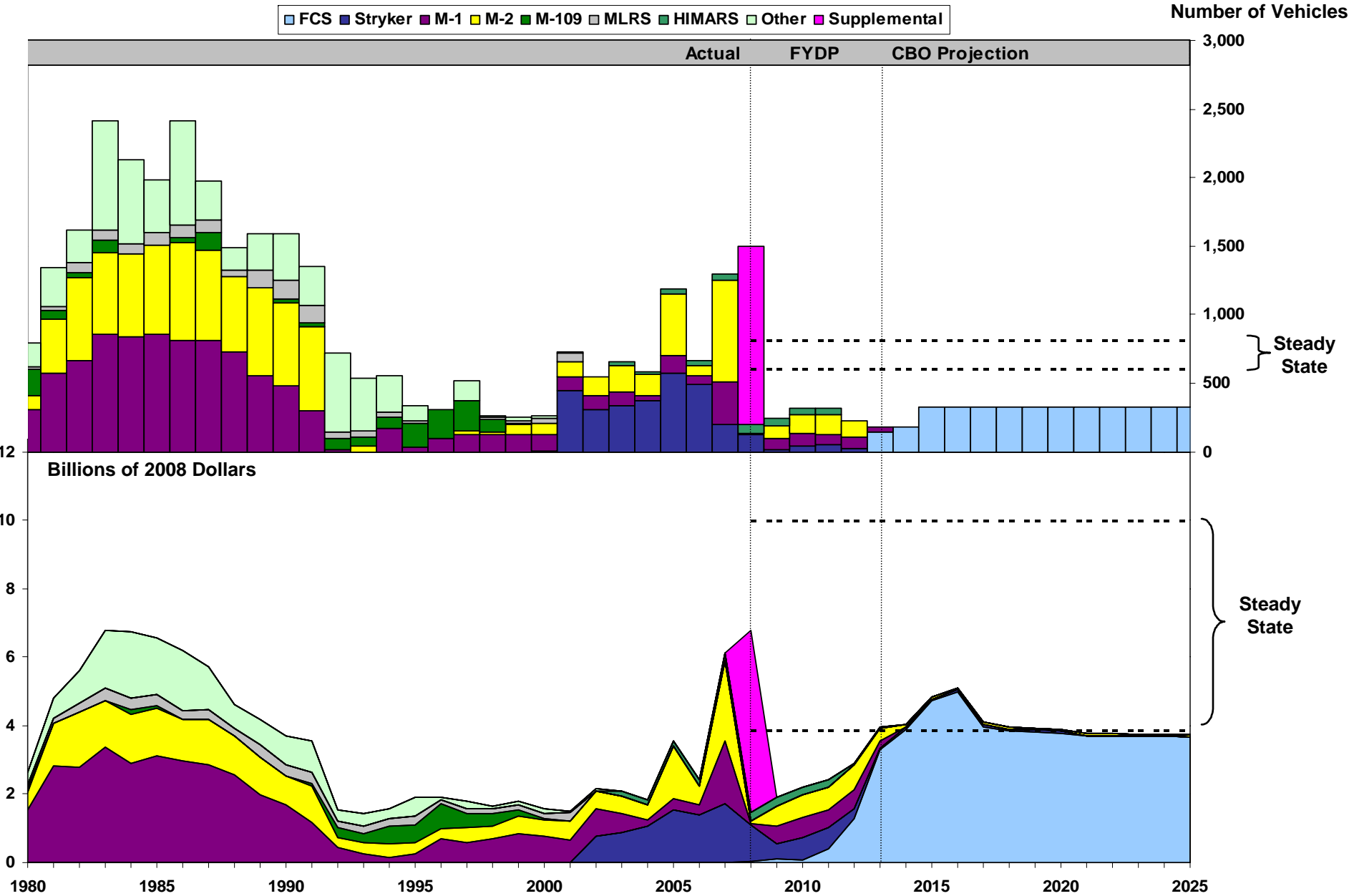


Figure 3-5 Updated

Age and Inventory of Army Ground Combat Vehicles

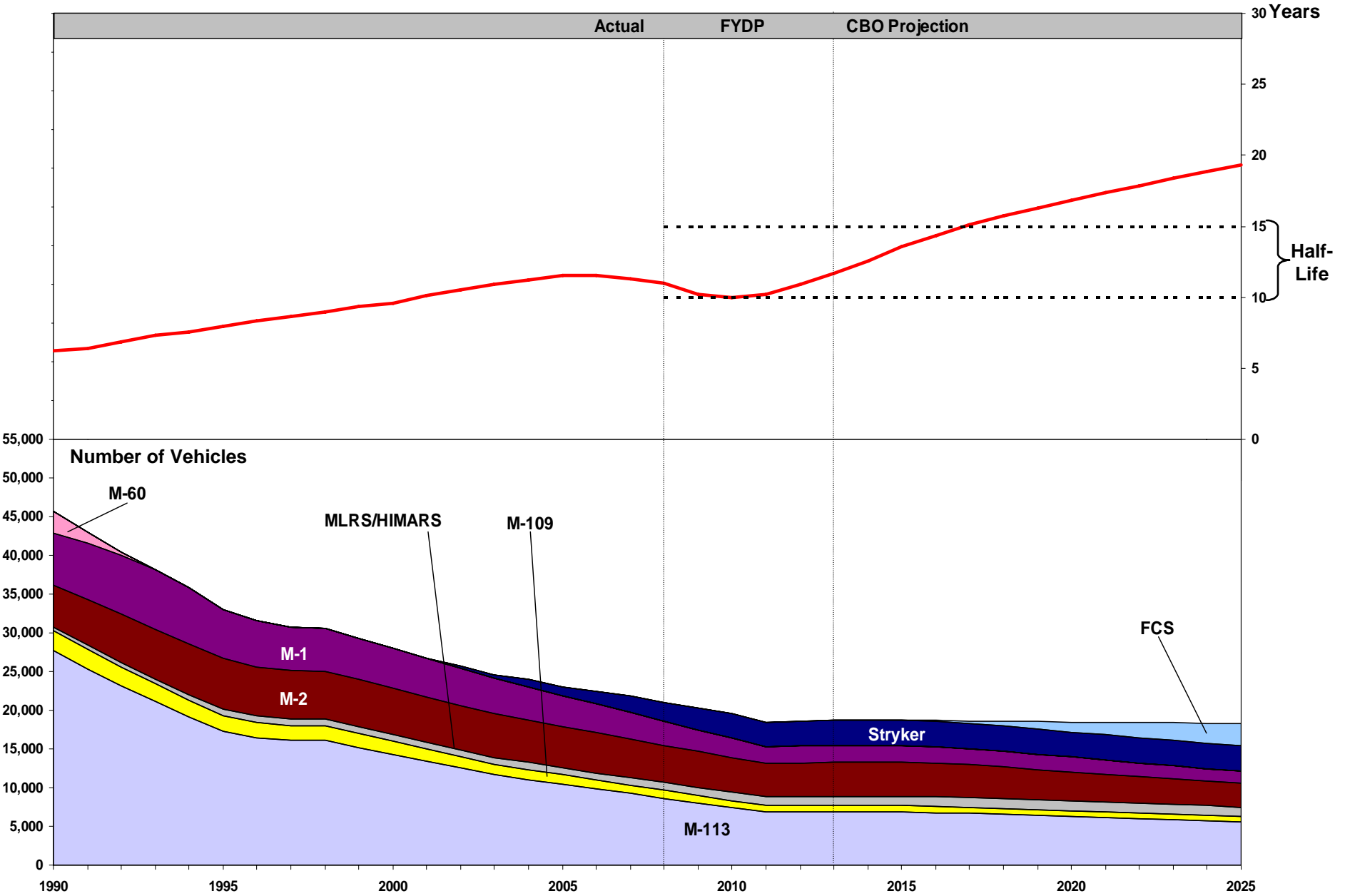


Figure 3-6 Updated

Procurement of Army Helicopters

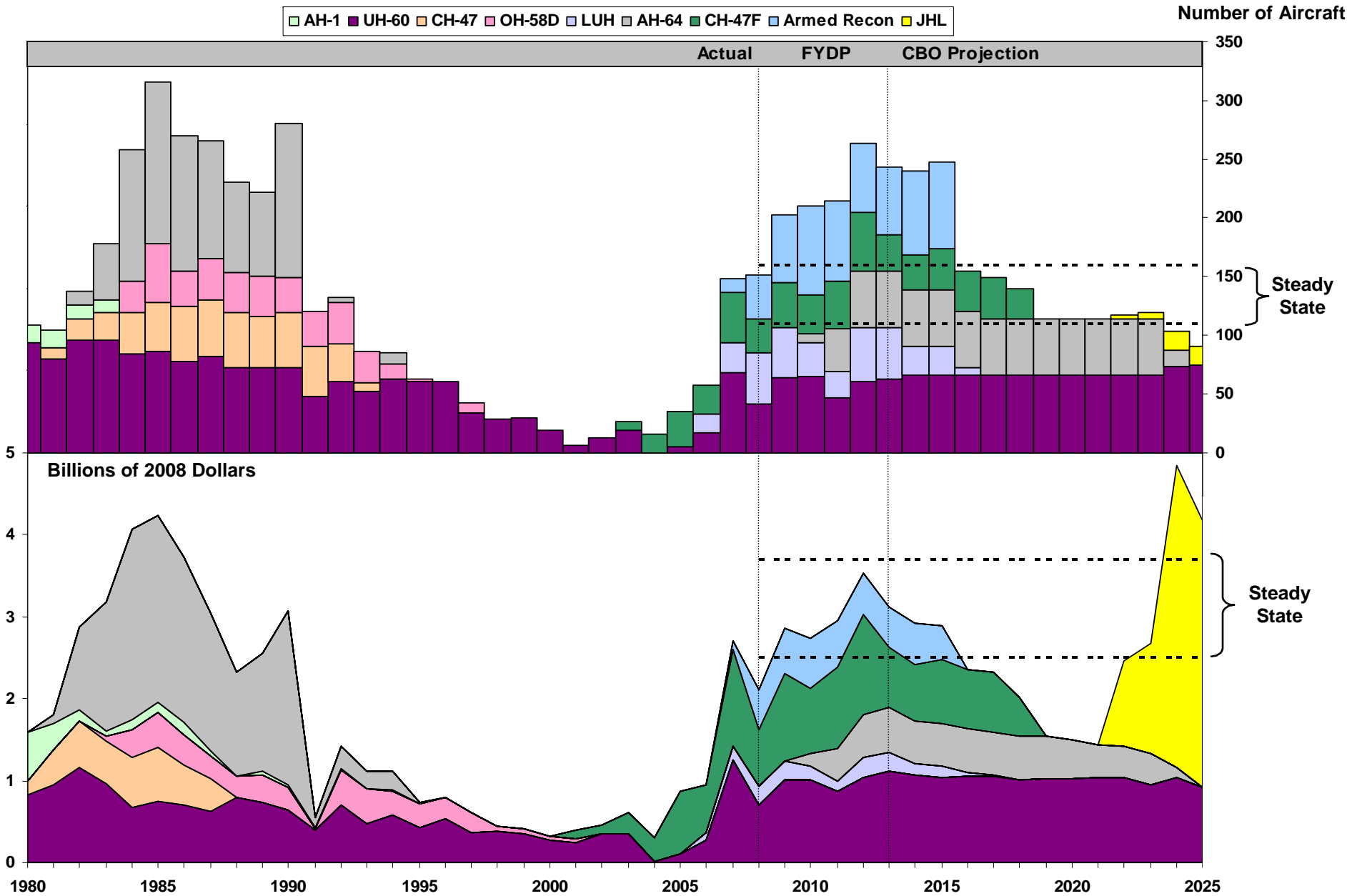


Figure 3-7 Updated

Age and Inventory of Army Helicopters

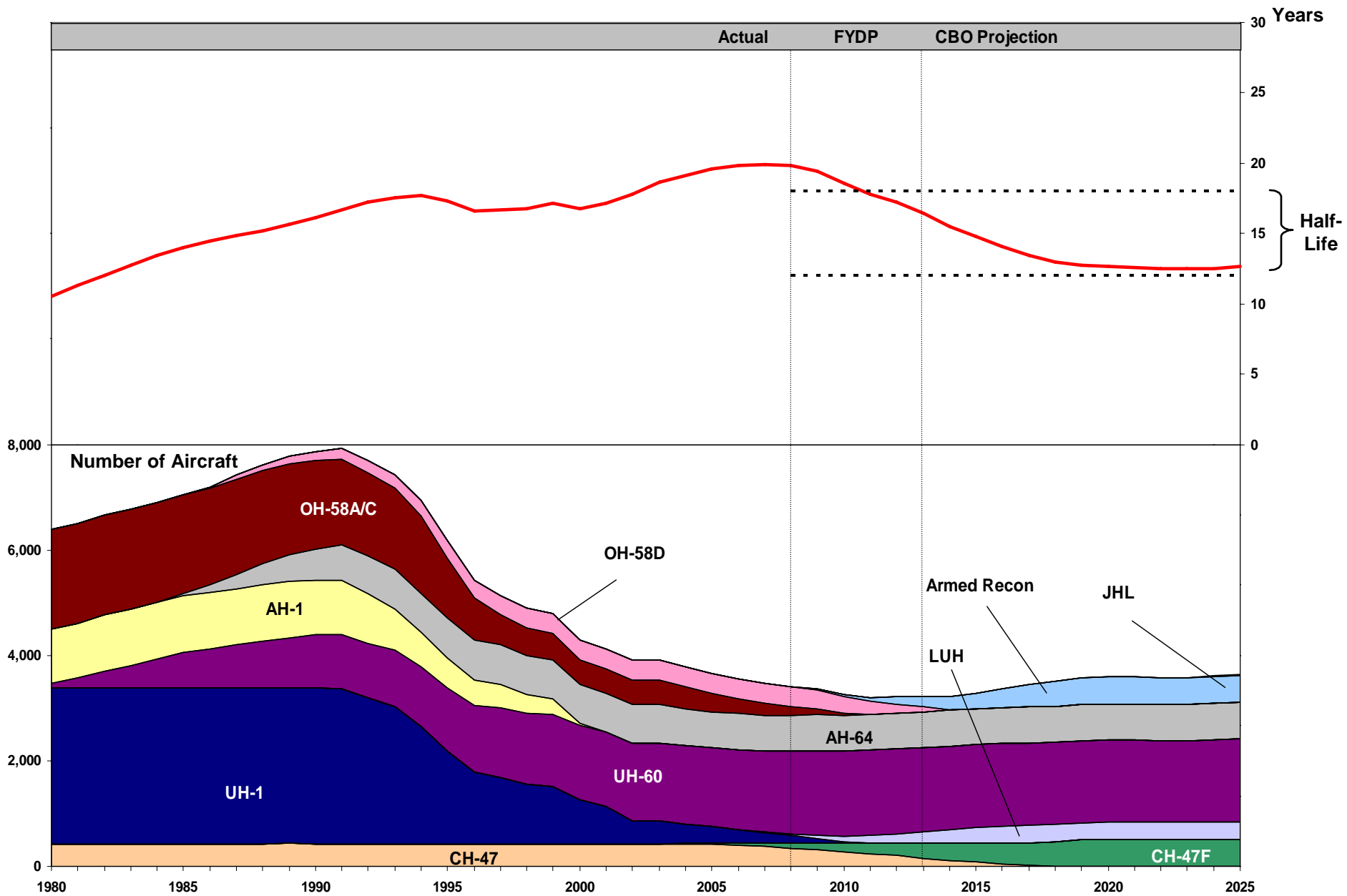


Figure 3-9 Updated

Past and Projected Navy and Marine Corps Funding for Investment

(Billions of 2008 Dollars of Total Obligational Authority)

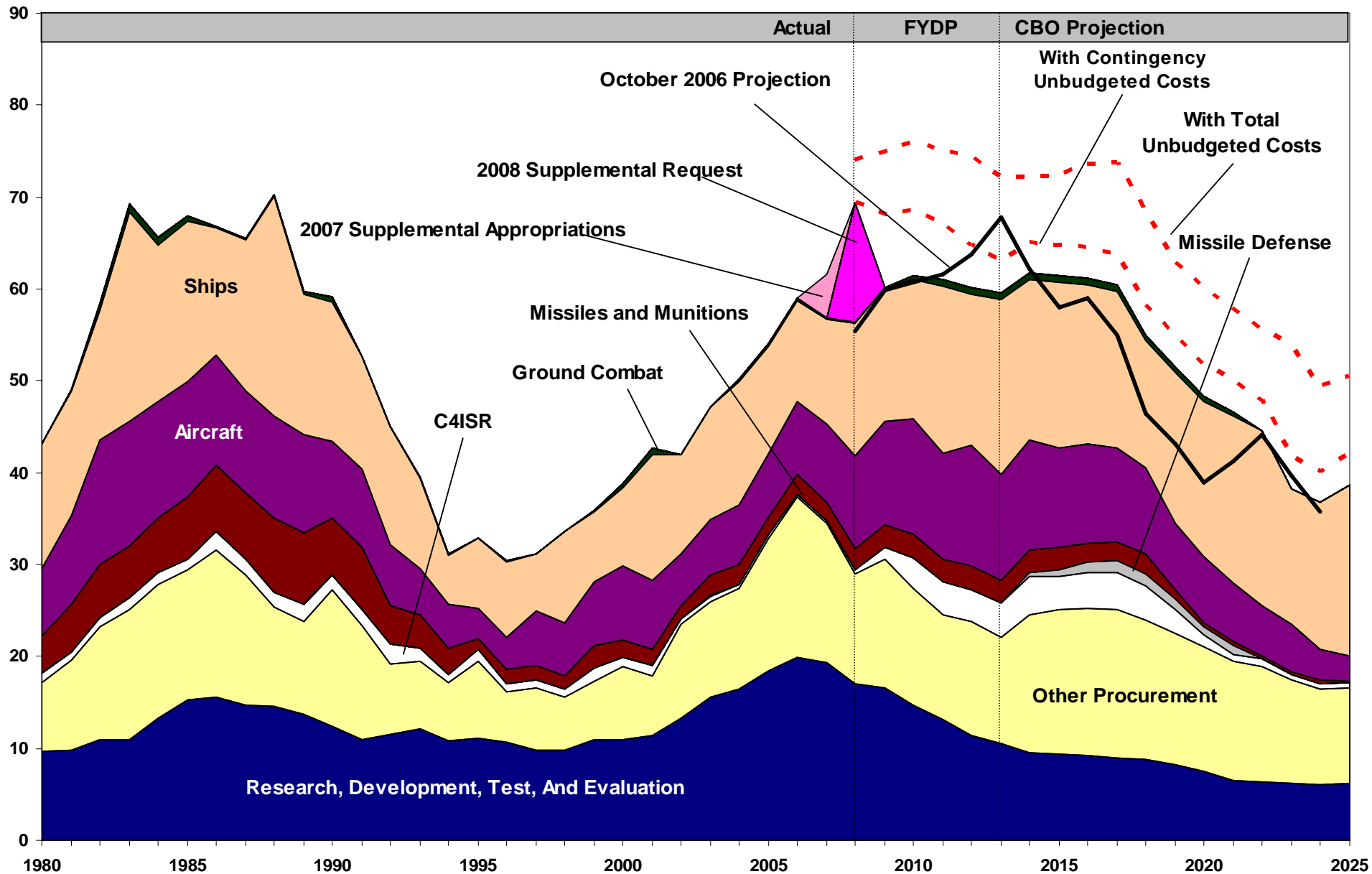


Figure 3-10 Updated

Procurement of Battle Force Ships

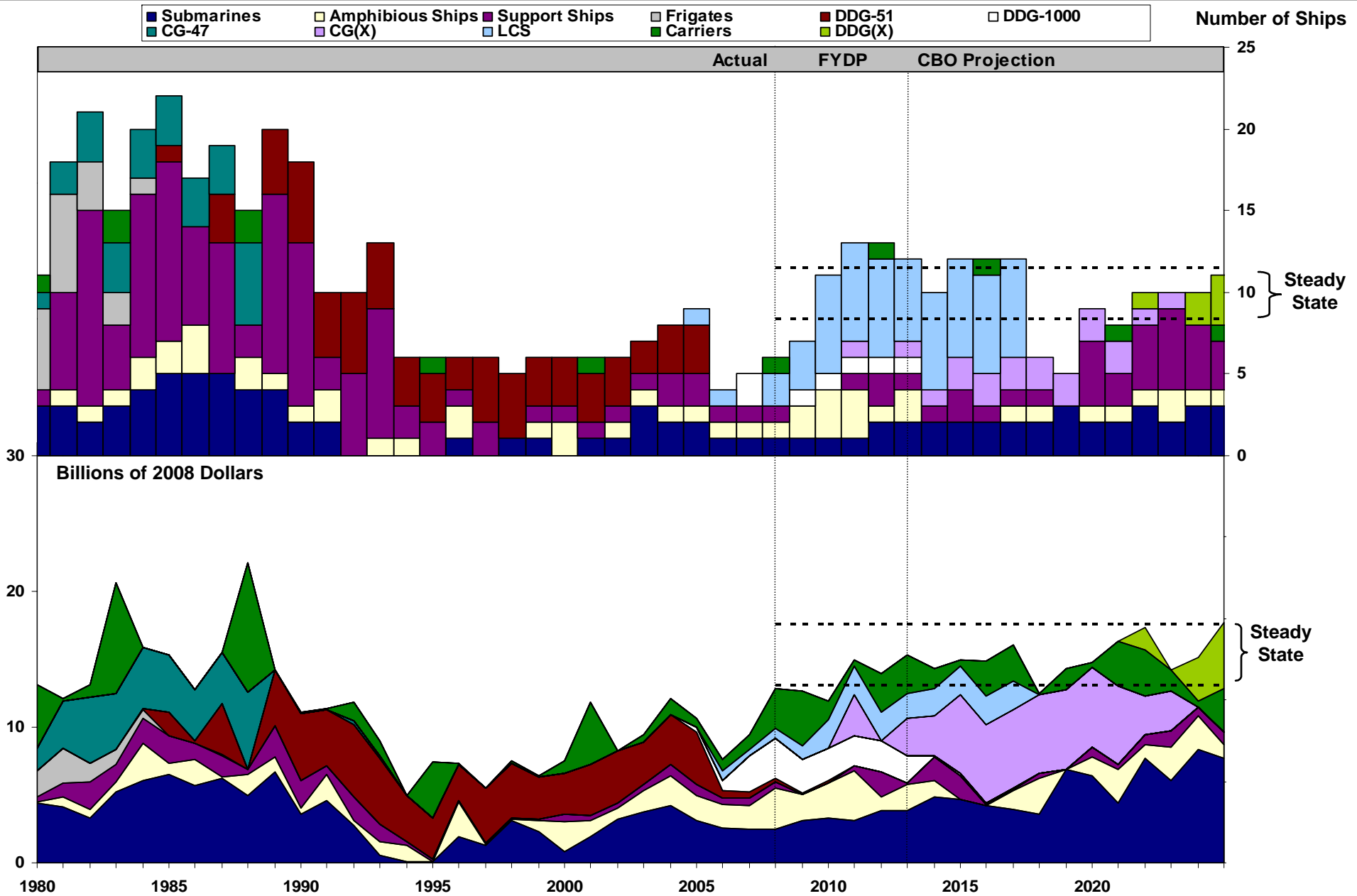


Figure 3-11 Updated

Age and Inventory of Battle Force Ships

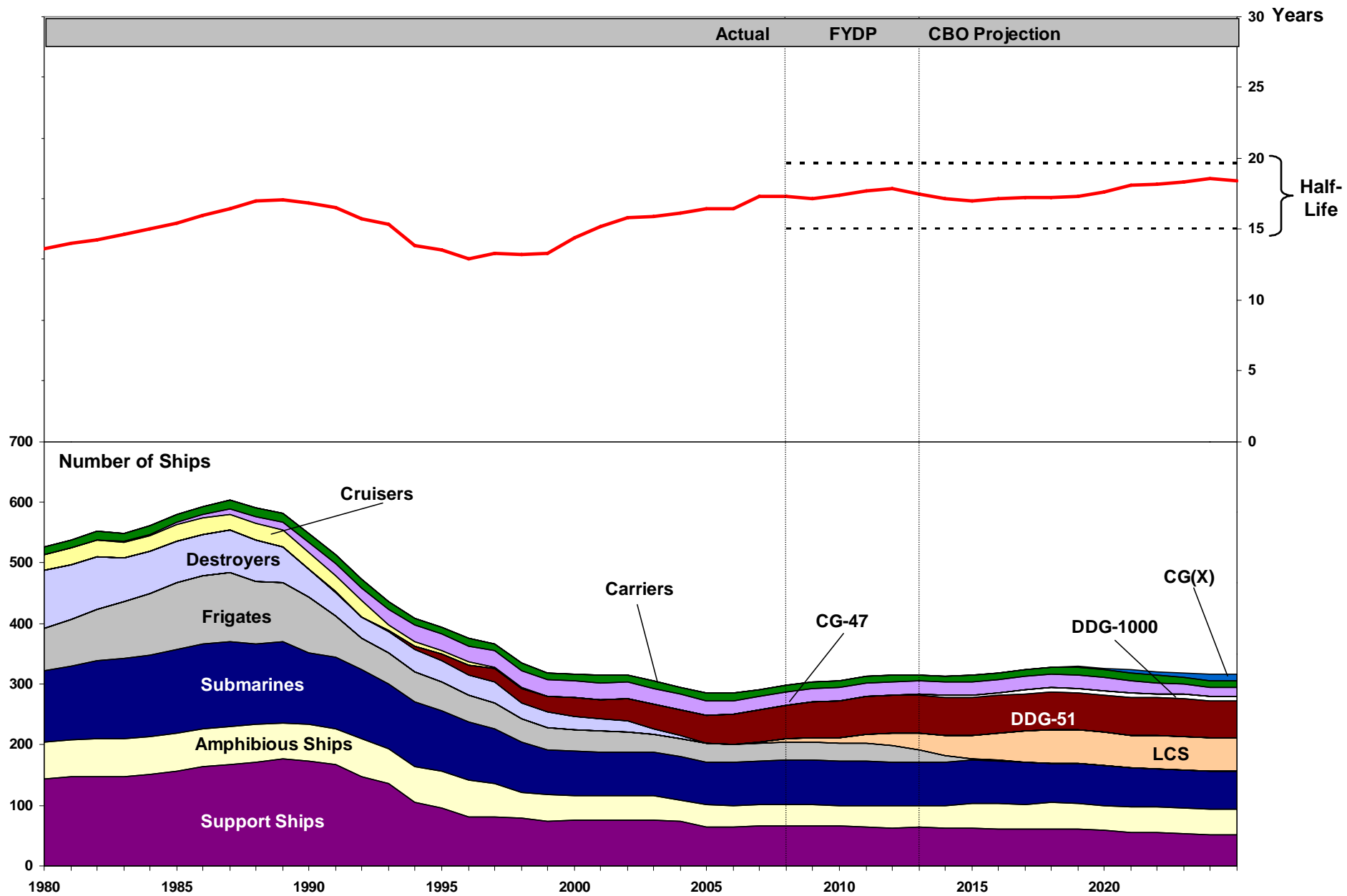


Figure 3-12 Updated

Procurement of Navy Fighter and Attack Aircraft

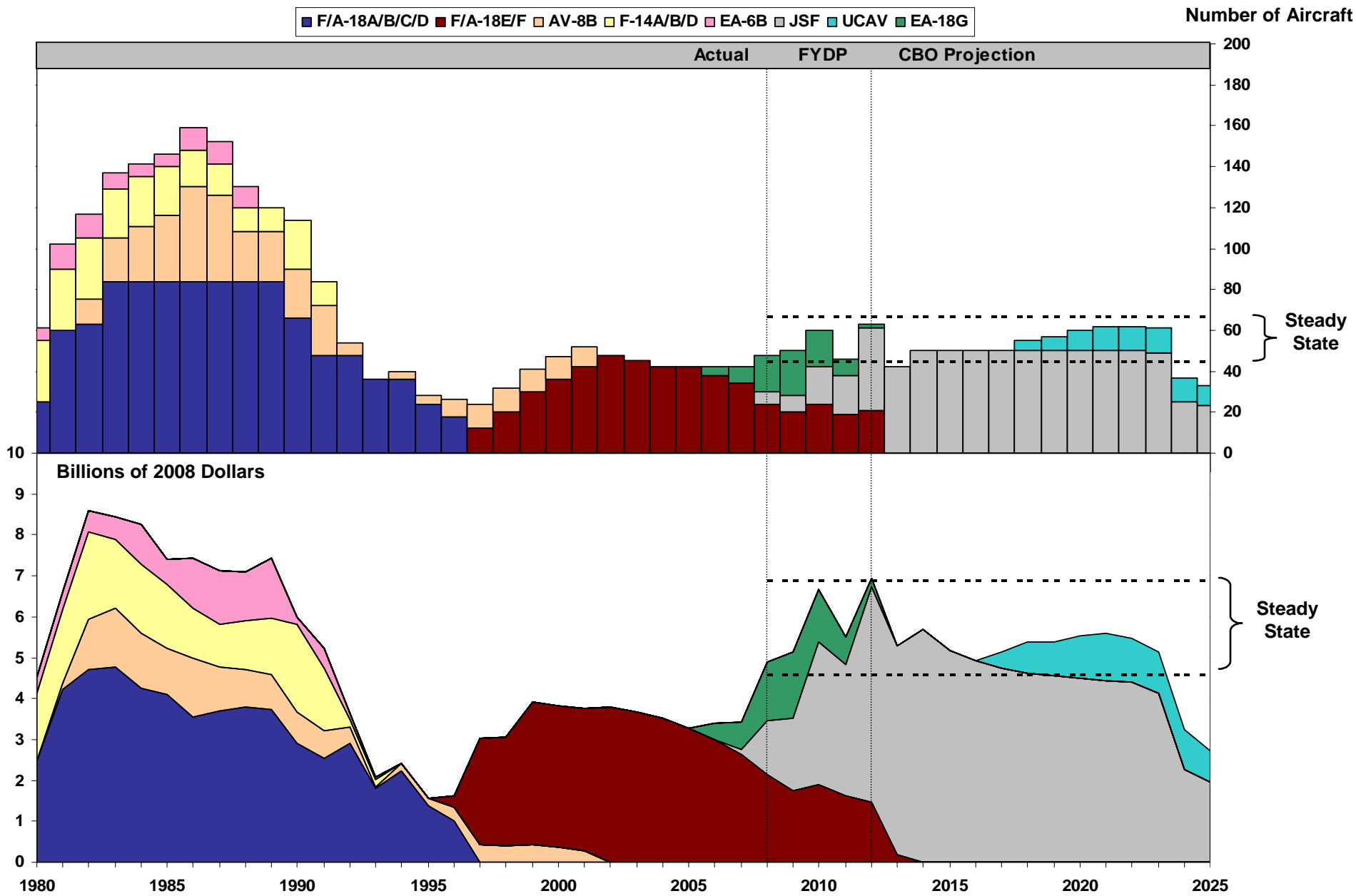


Figure 3-13 Updated

Age and Inventory of Navy Fighter and Attack Aircraft

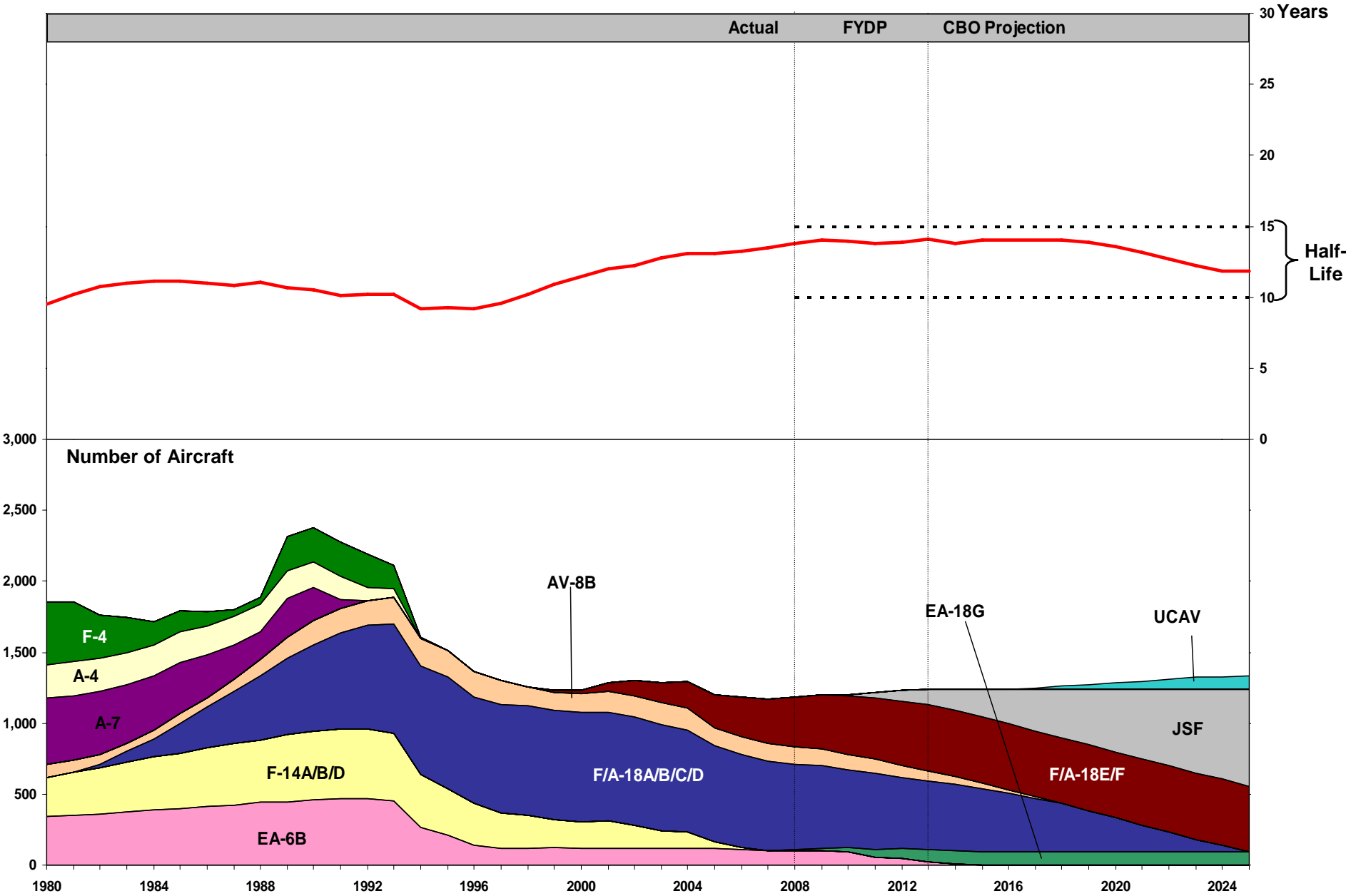


Figure 3-14 Updated

Procurement of Marine Corps Helicopters

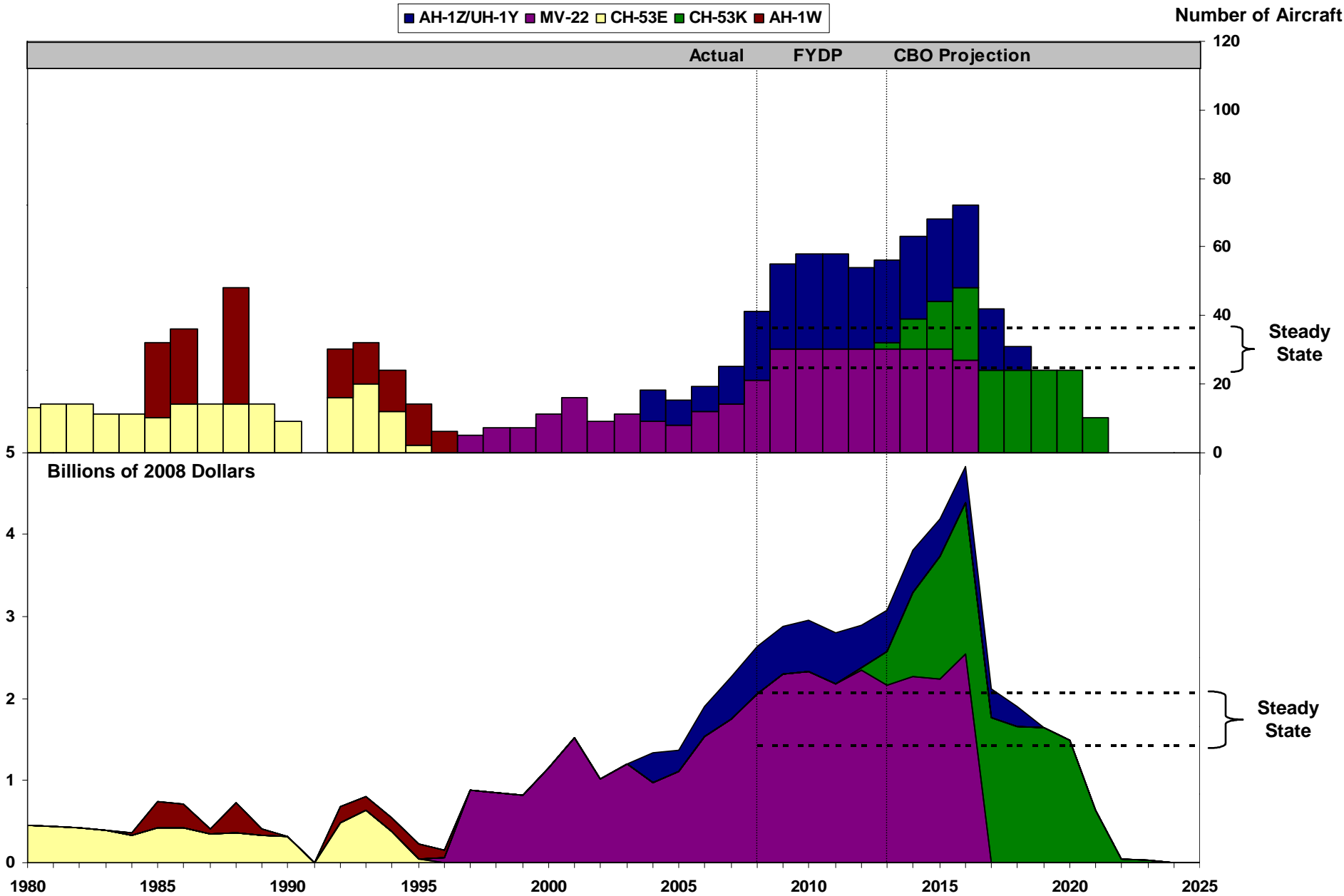


Figure 3-15 Updated

Age and Inventory of Marine Corps Helicopters

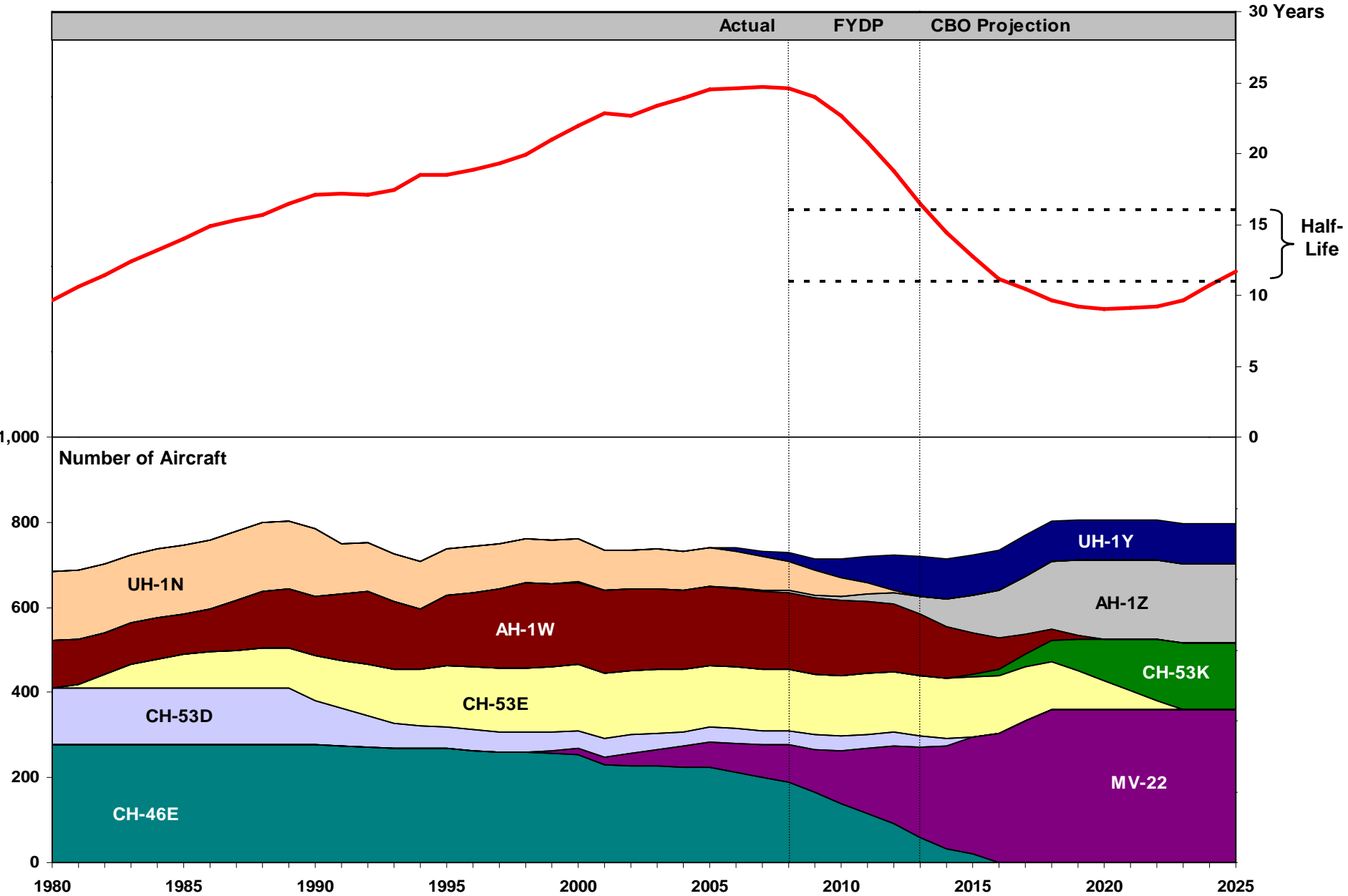


Figure 3-16 Updated

Procurement of Marine Corps Ground Combat Vehicles

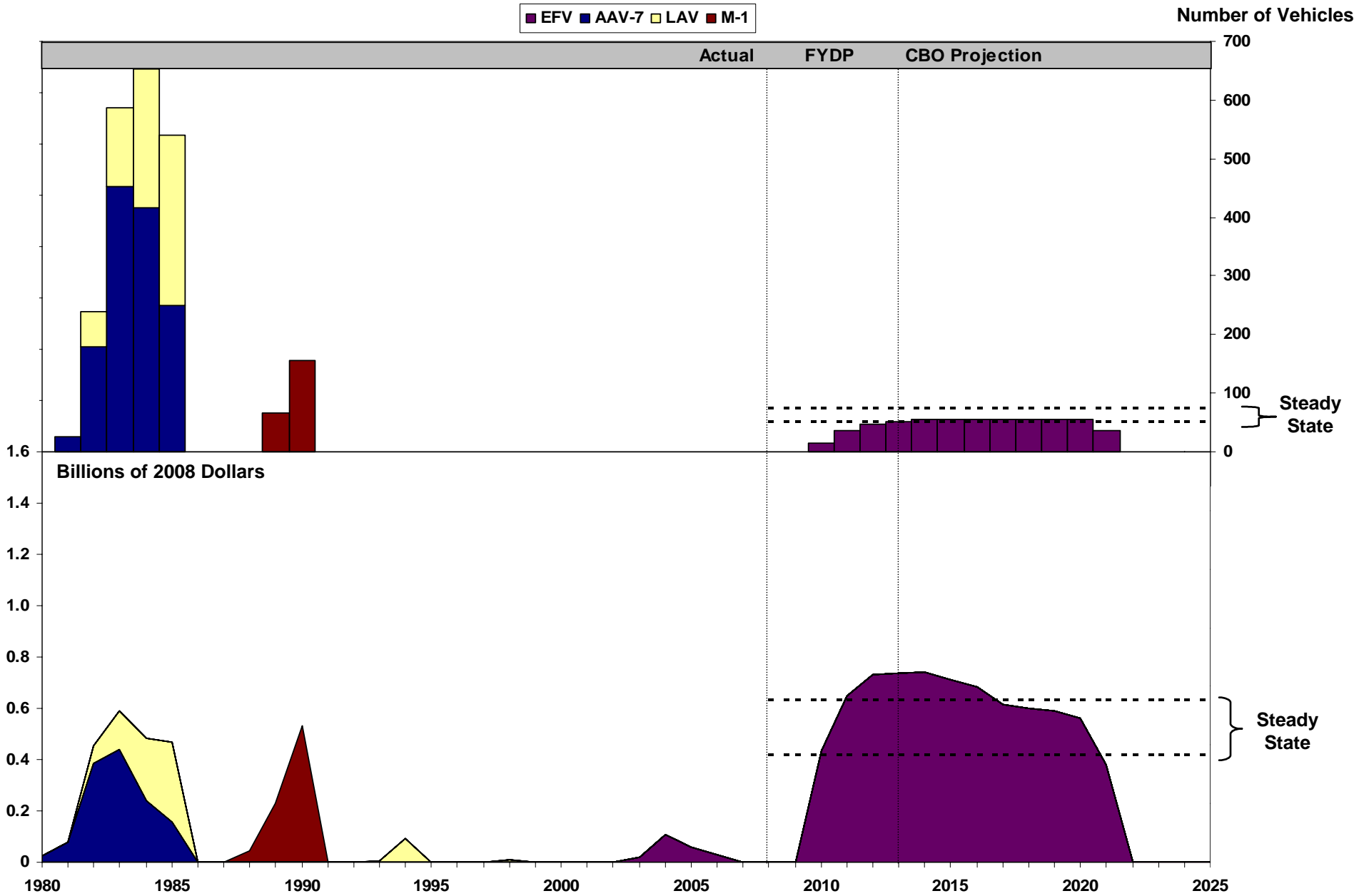


Figure 3-17 Updated

Age and Inventory of Marine Corps Ground Combat Vehicles

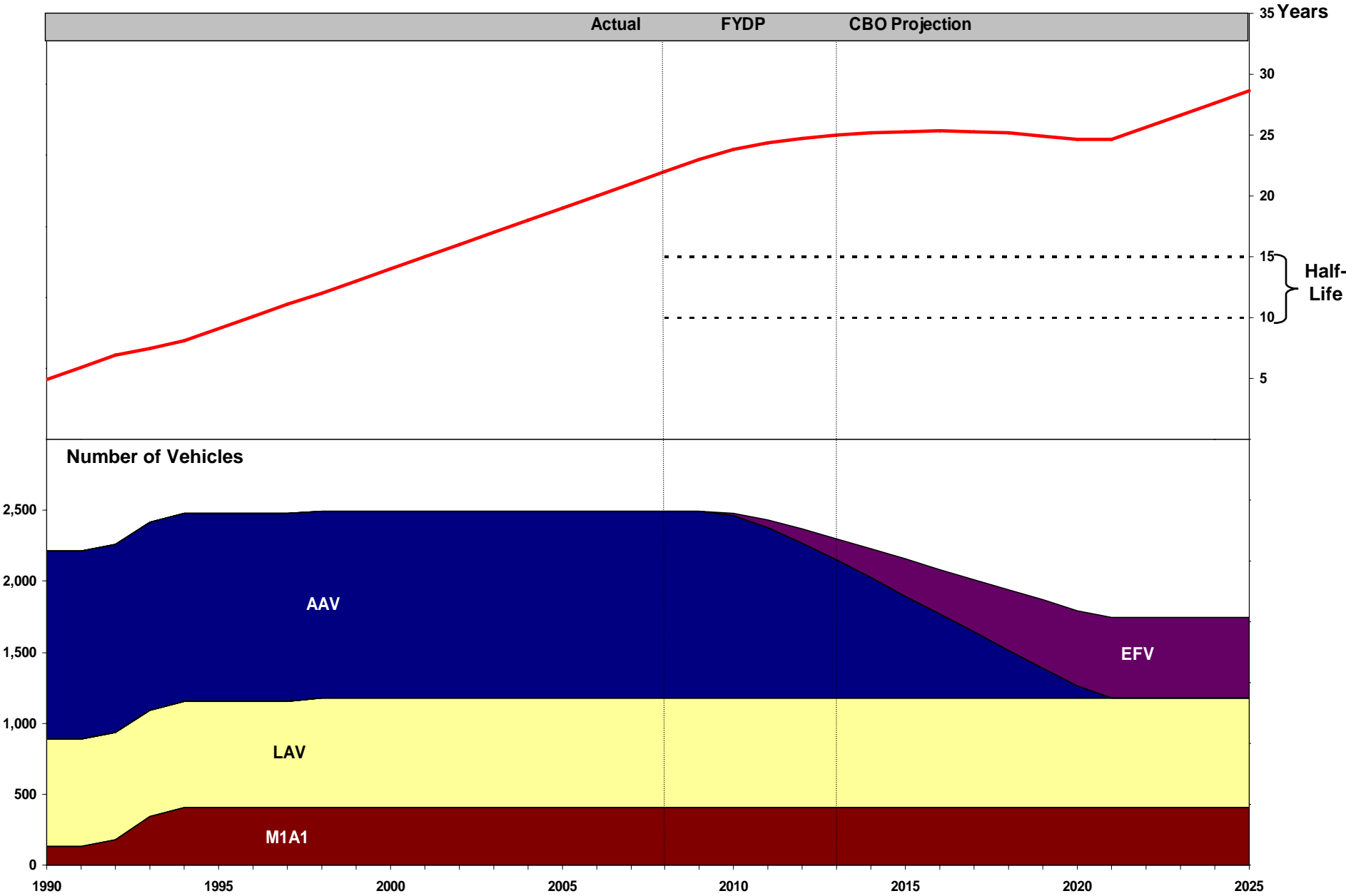


Figure 3-19 Updated

Past and Projected Air Force Funding for Investment

(Billions of 2008 Dollars of Total Obligational Authority)

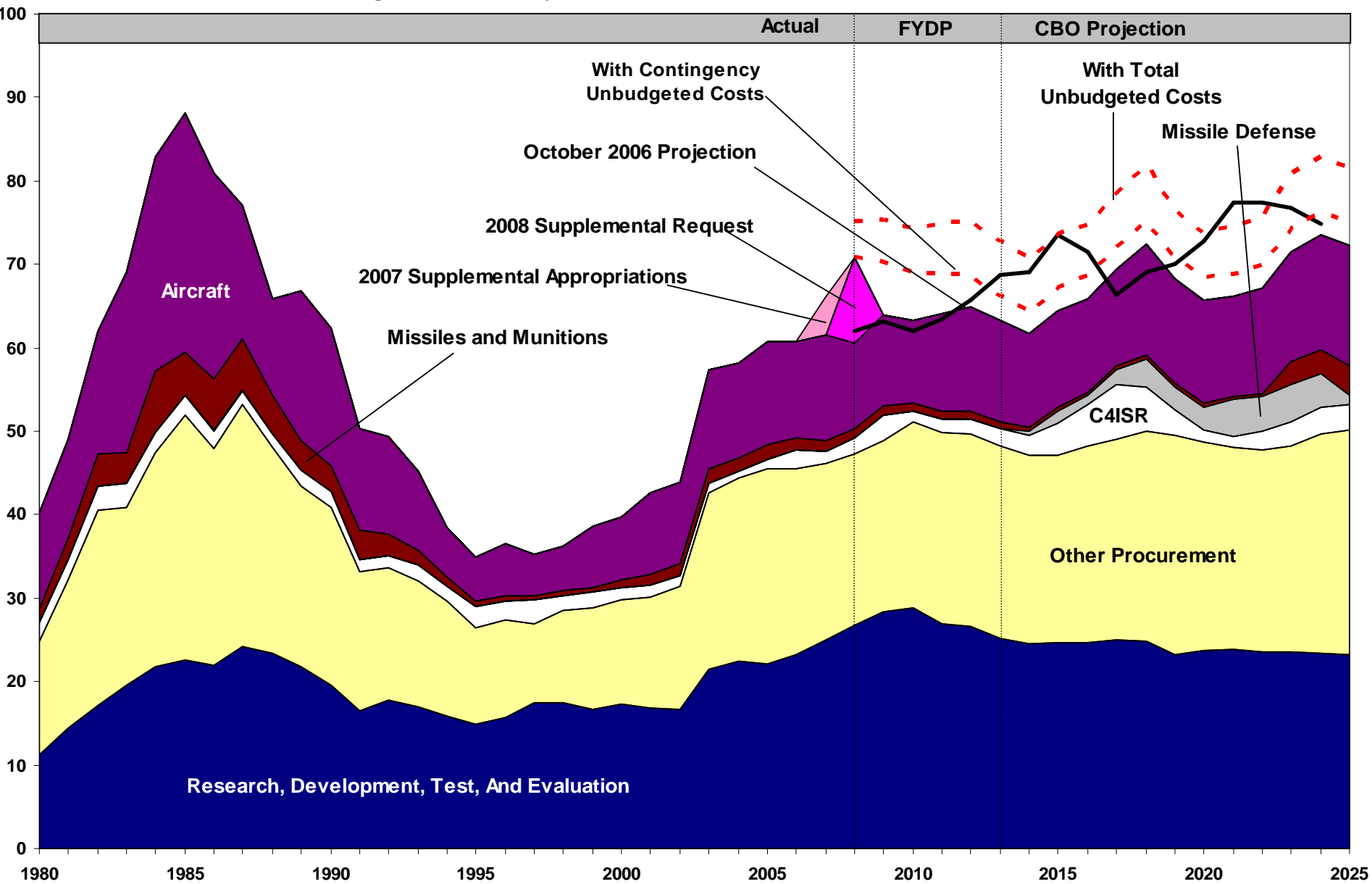


Figure 3-20 Updated

Procurement of Air Force Fighter and Attack Aircraft

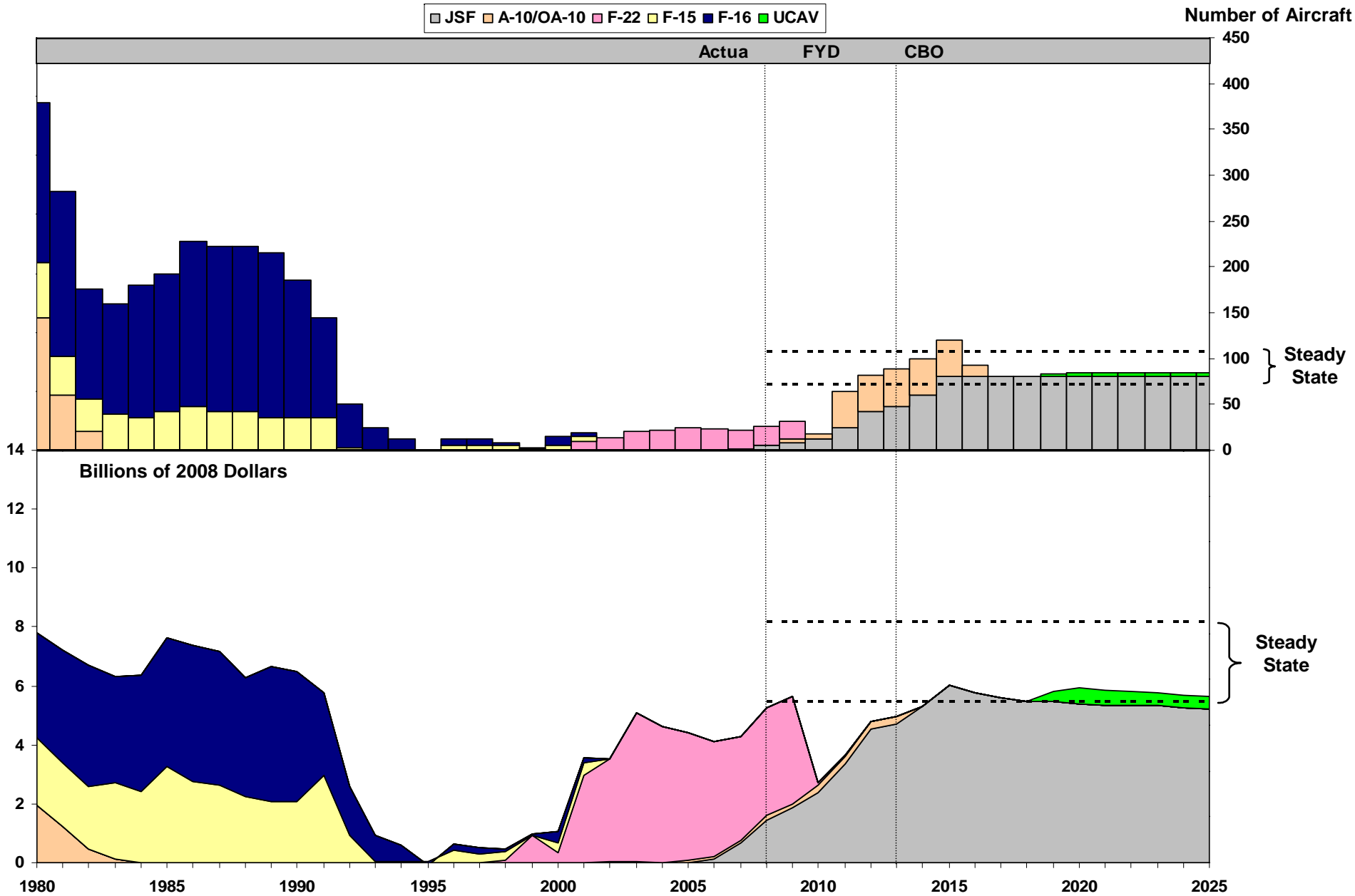


Figure 3-21 Updated

Age and Inventory of Air Force Fighter and Attack Aircraft

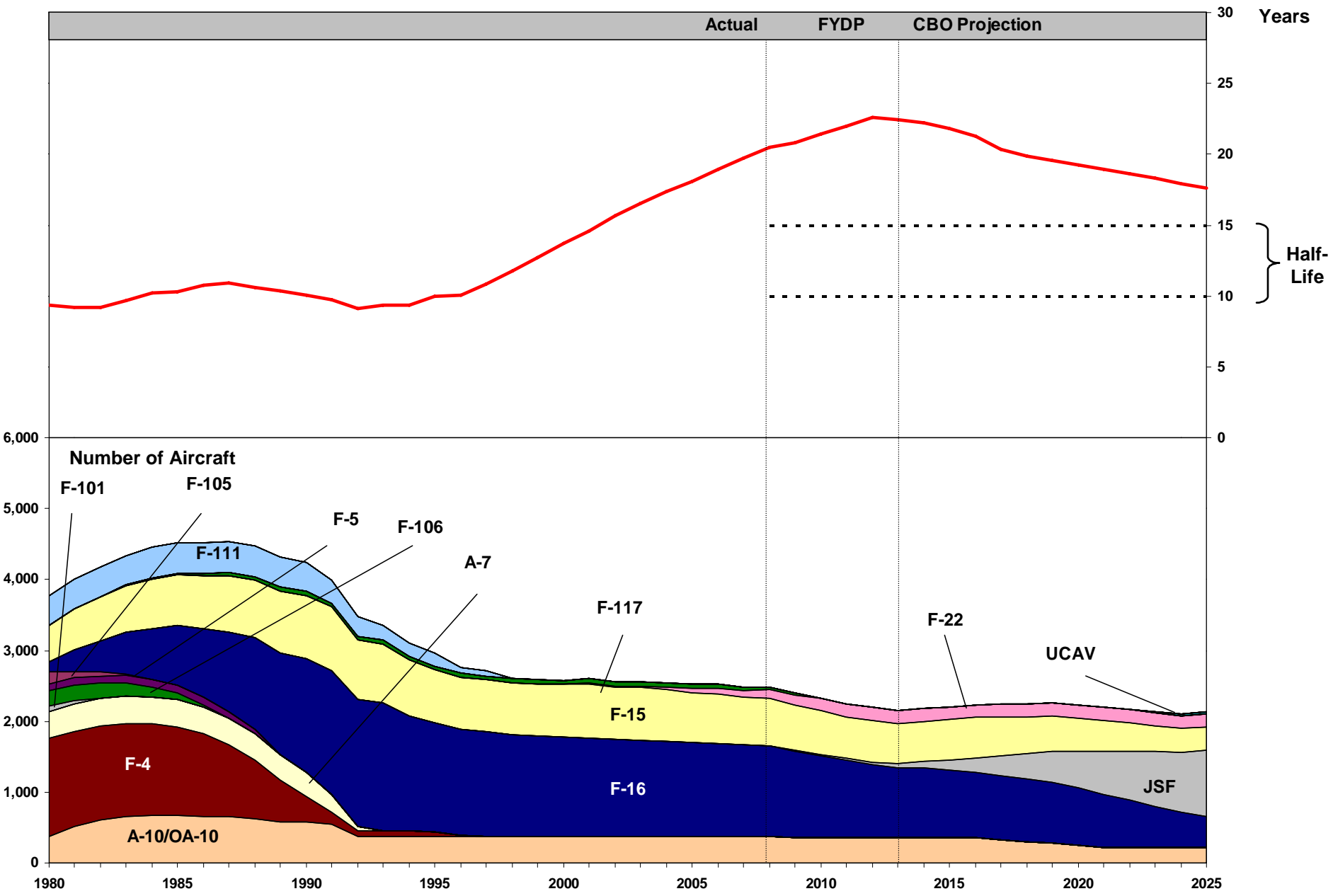


Figure 3-22 Updated

Procurement of Air Force Bombers

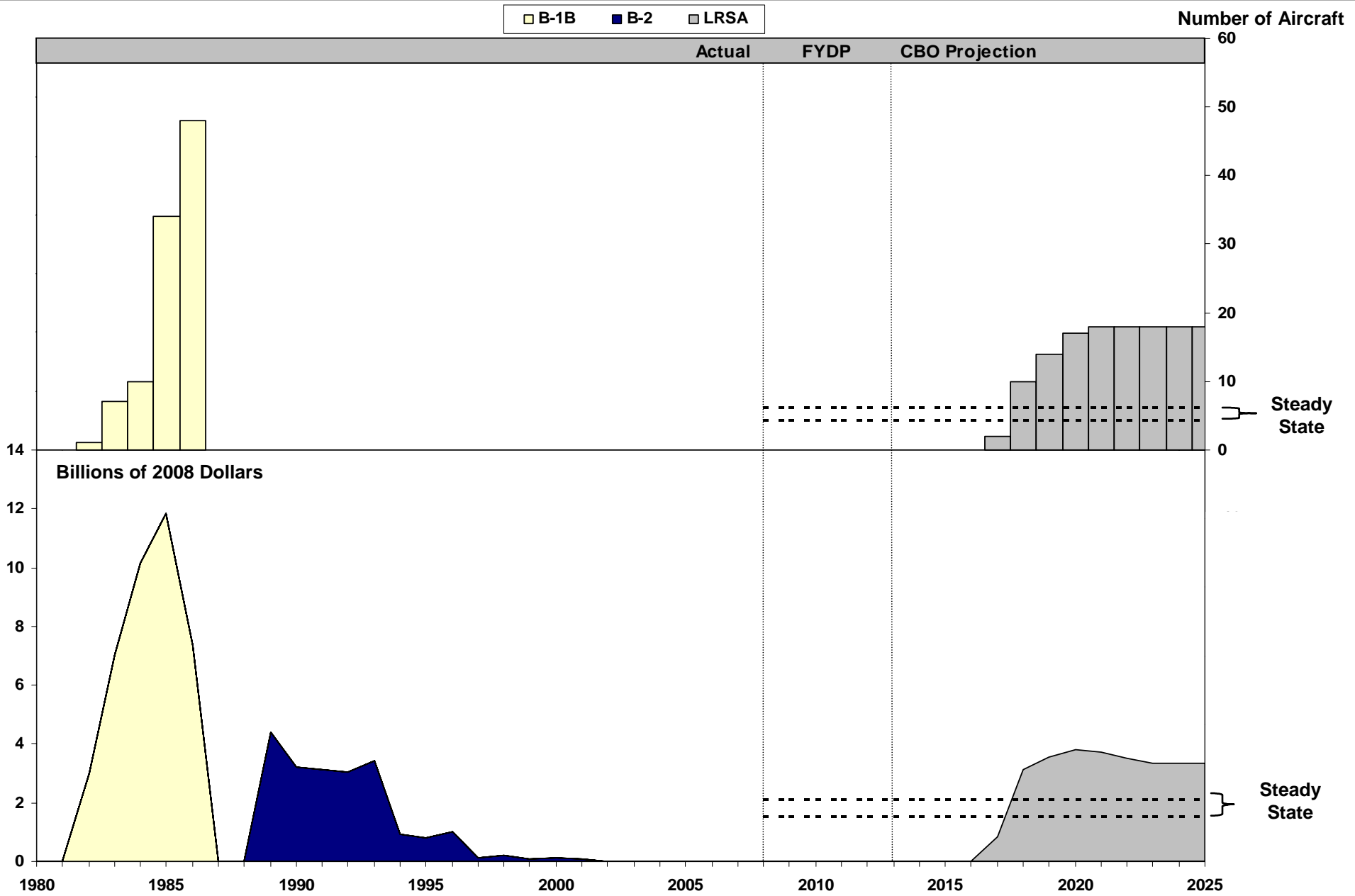
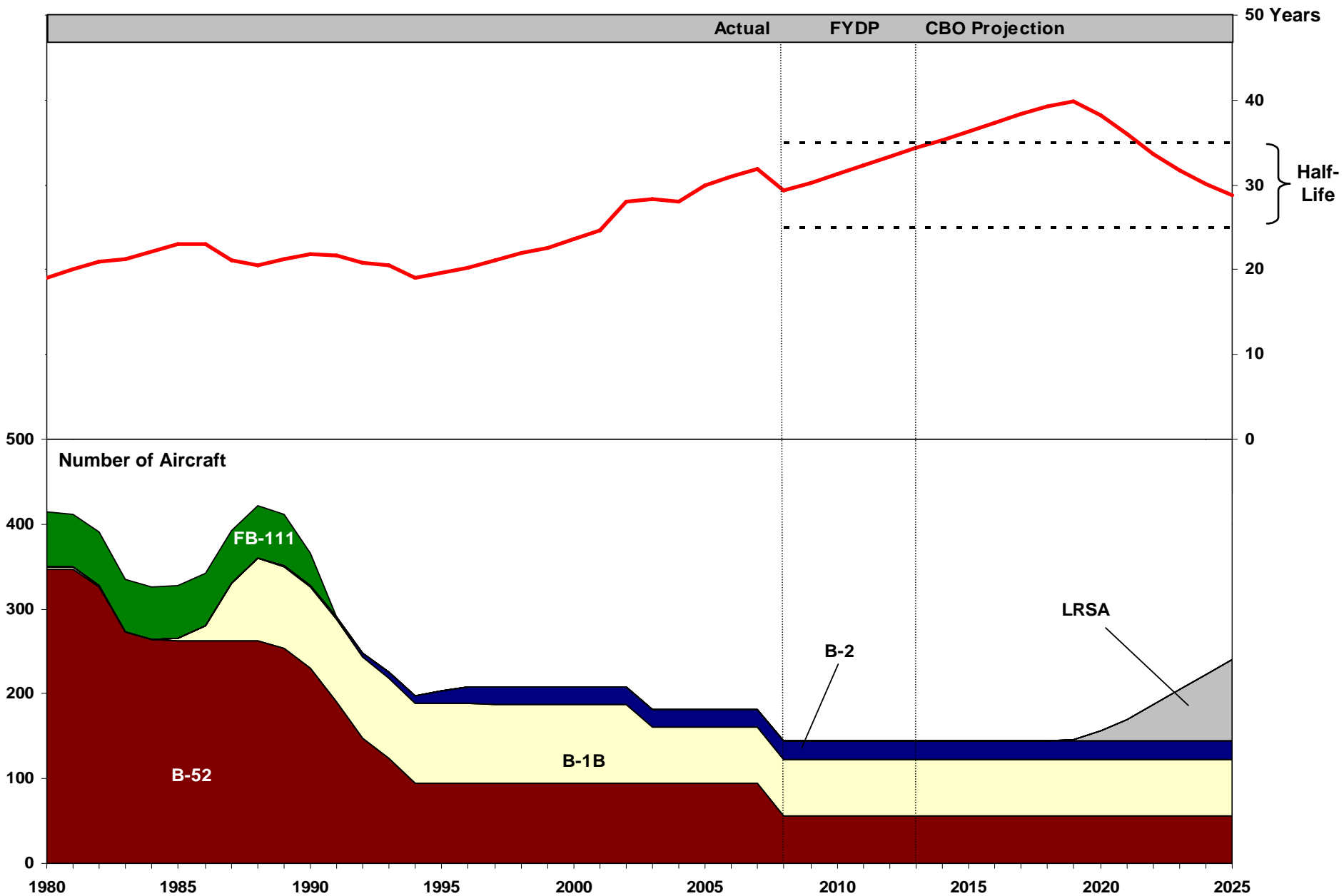


Figure 3-23 Updated

Age and Inventory of Air Force Bombers



Figures 3-24 and 3-26 Updated

Procurement of Air Force Airlifters and Tankers

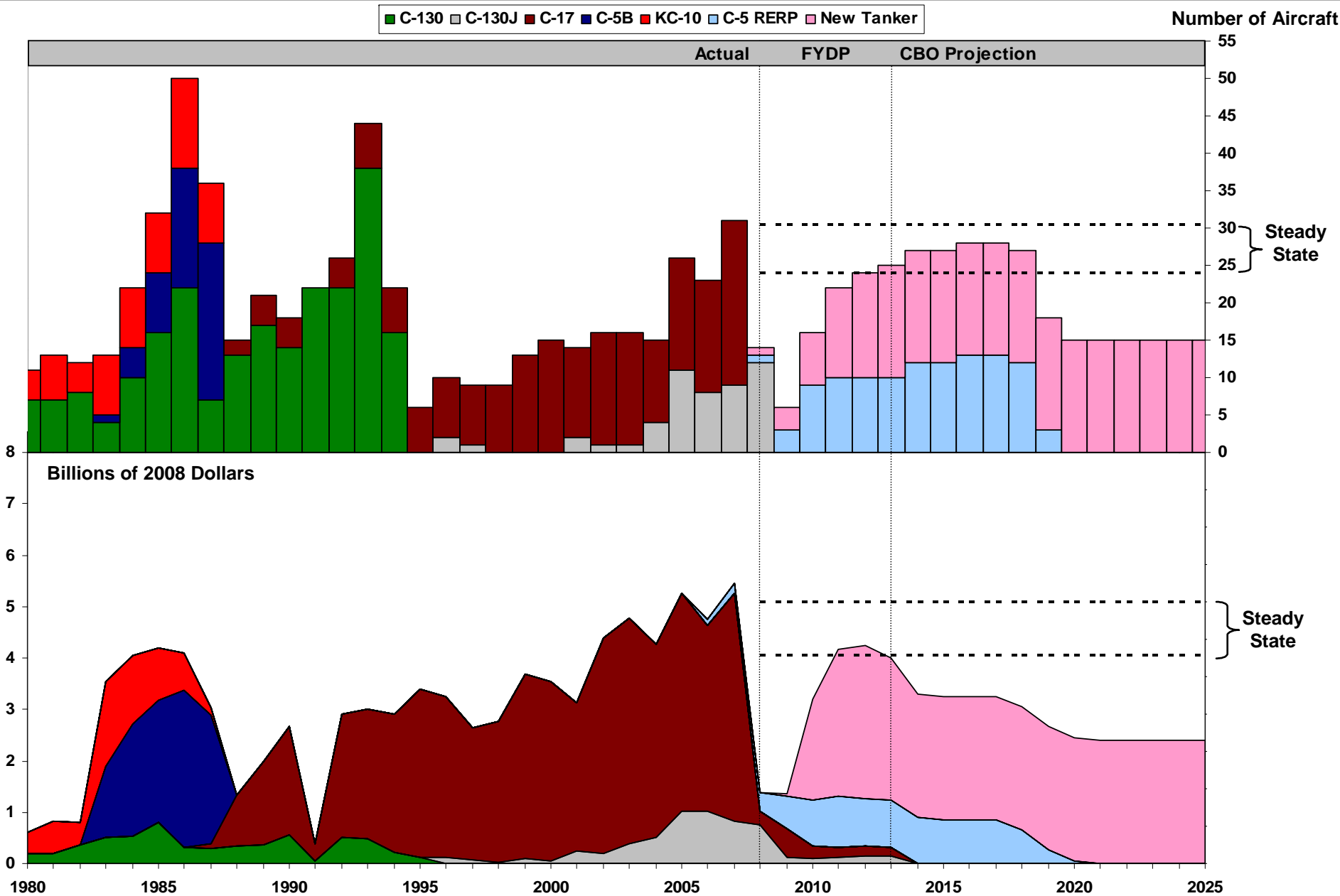


Figure 3-25 Updated

Age and Inventory of Air Force Airlifters

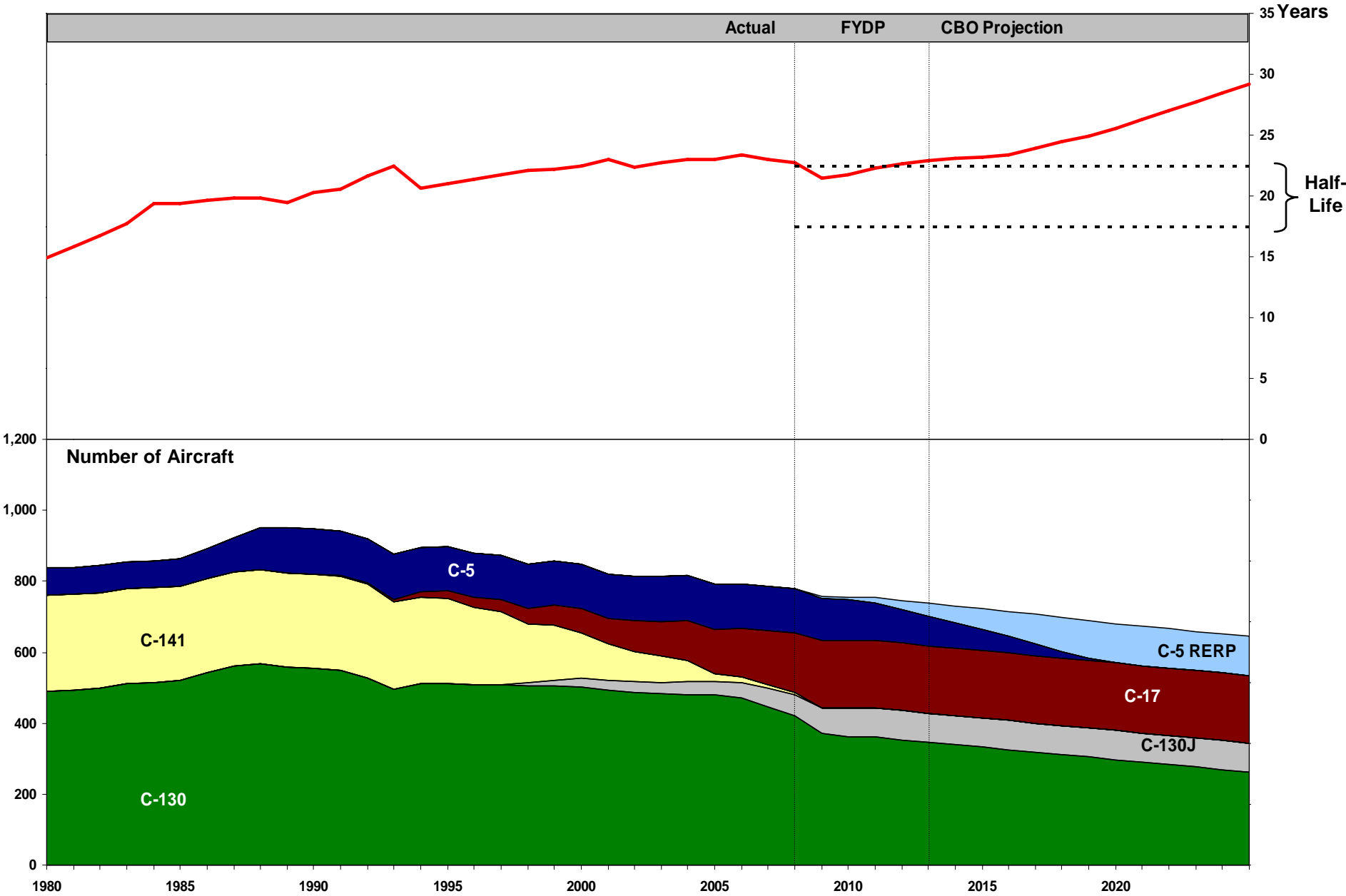


Figure 3-27 Updated

Age and Inventory of Air Force Tankers

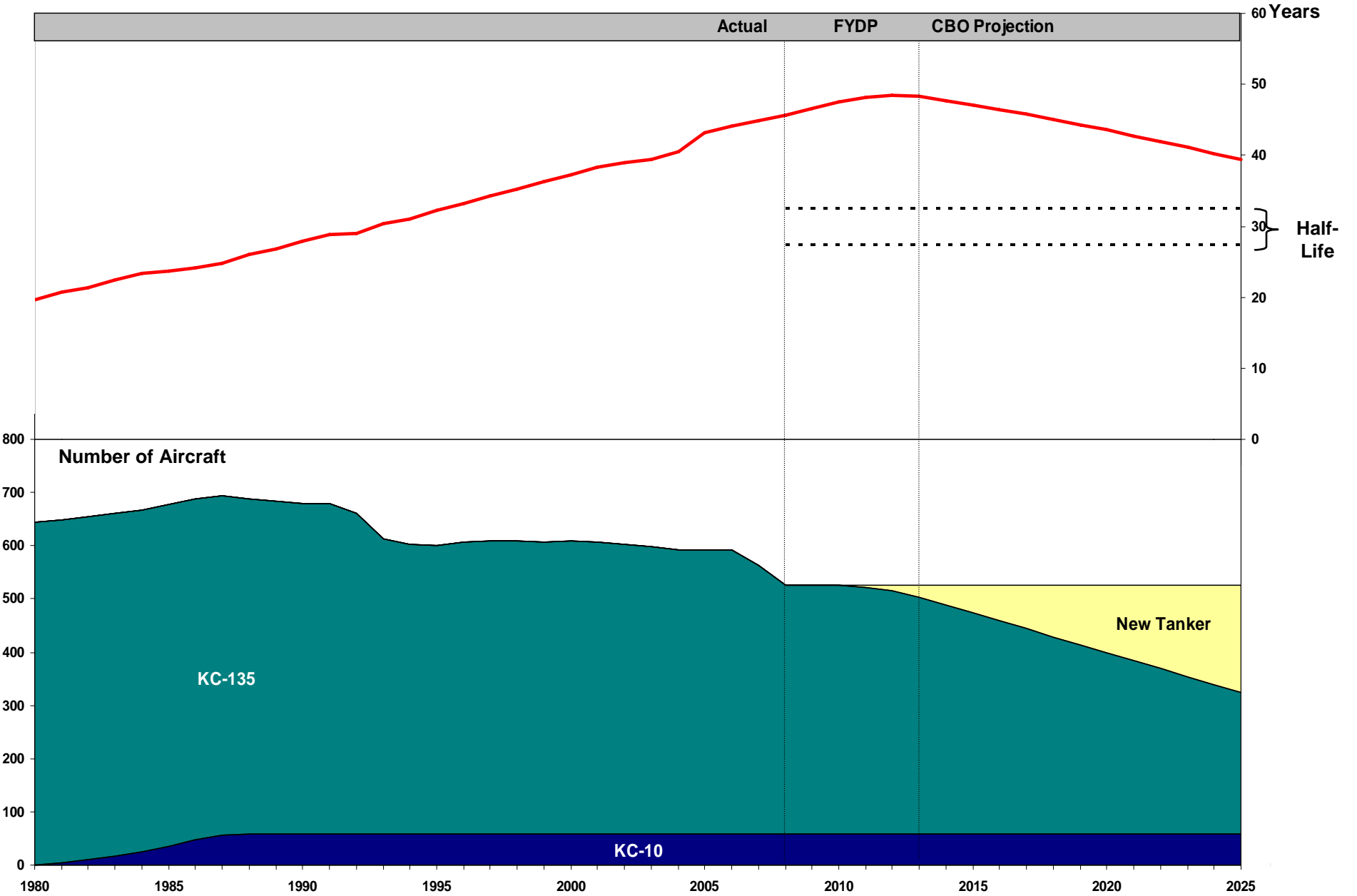


Figure 3-29 Updated

Past and Projected Investment Funding for Defense Agencies

(Billions of 2008 Dollars of Total Obligational Authority)

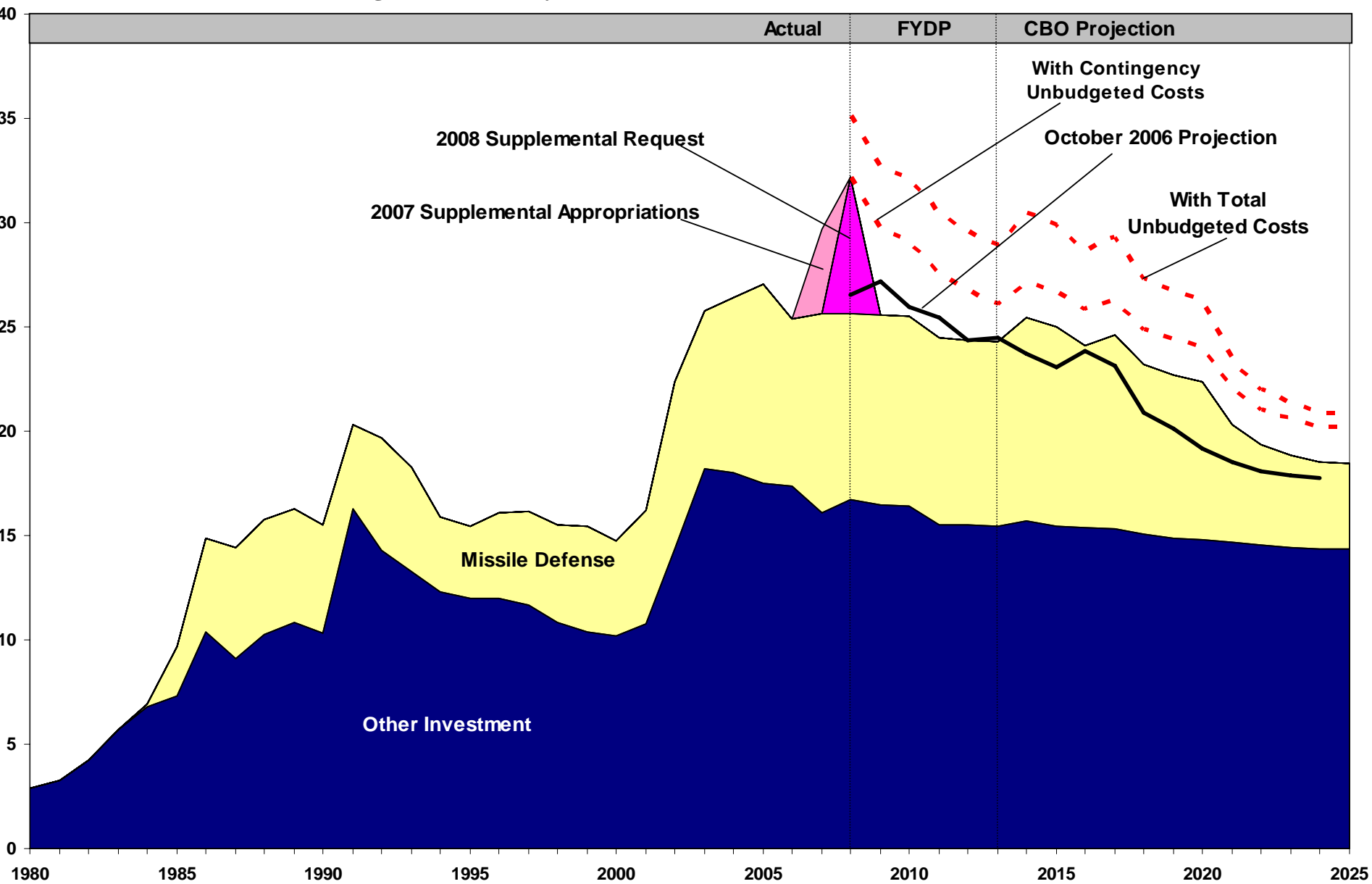
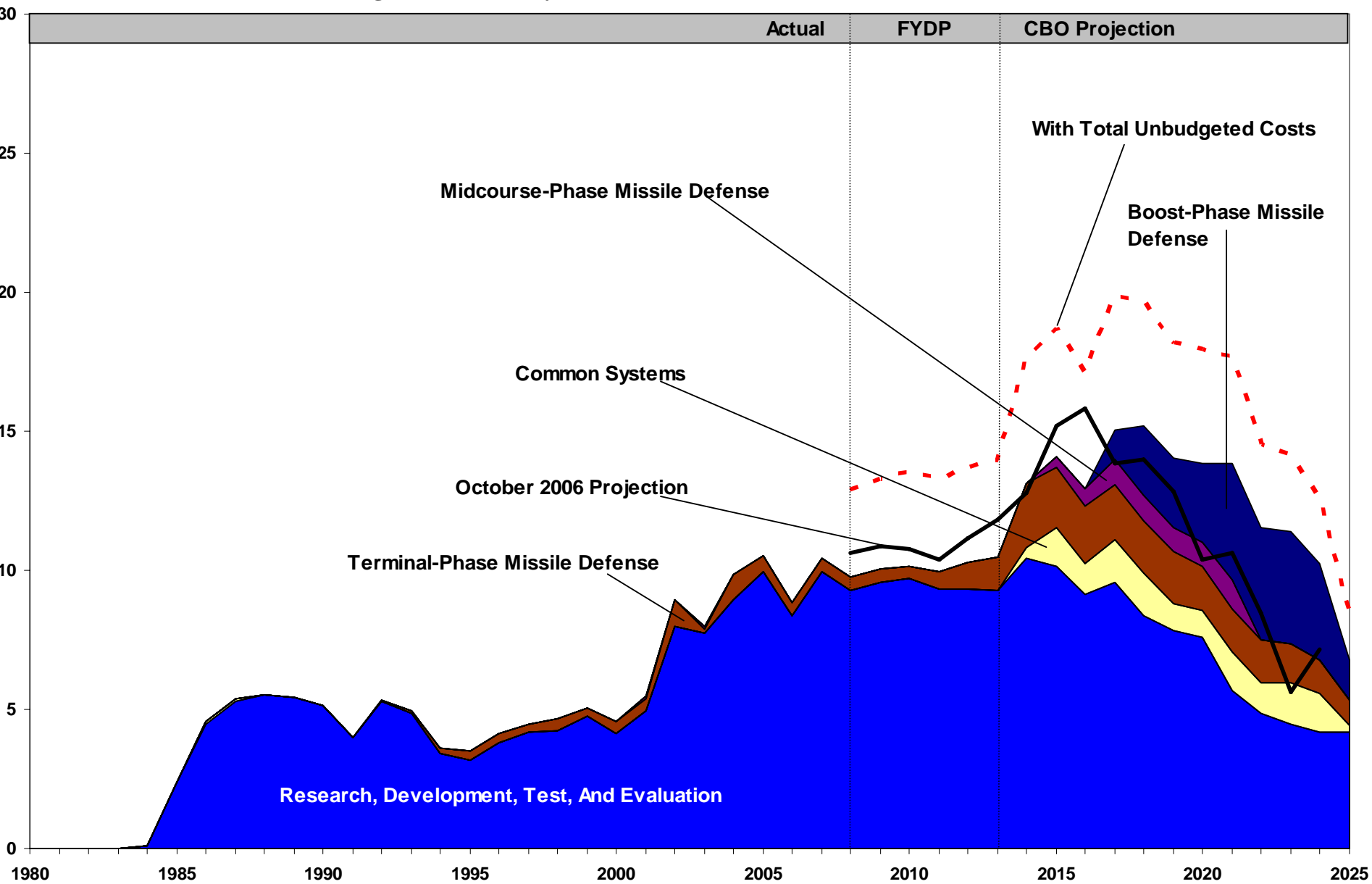


Figure 3-30 Updated

Past and Projected Investment Funding for Missile Defense

(Billions of 2008 Dollars of Total Obligational Authority)



Appendix A

Calculating Steady-State Procurement Funding and Fleet Half-Lives

To provide measures to use in assessing the long-term implications of the Administration's current procurement plans, the Congressional Budget Office (CBO) estimated how much the Department of Defense (DoD) would need to spend on major procurement each year to sustain its forces and keep the average age of various types of weapon systems constant.

Those estimates are based on the number of weapons that DoD has in its current inventory, the projected life spans of those weapons, and the costs of their replacements. For example, the Air Force's desired inventory of fighter and attack aircraft totals about 2,200 planes (including reserves to replace lost or damaged planes). In the past, the Air Force expected to keep its fighter and attack aircraft flying for about 20 years before replacing them. Beginning in the 1990s, however, the service planned to retain its fighters for 30 years or more. Thus, for Air Force fighters, CBO assumes service lives that span 20 to 30 years.

Annual steady-state purchases equal the desired inventory level divided by the expected service life—or, in this case, purchases of 72 to 108 Air Force fighters per year. The cost of the Joint Strike Fighter (JSF) and the F-22 aircraft, which will eventually replace current fighters, ranges from about \$80 million for the Air Force version of the JSF to about \$180 million for the F-22. (The Air Force plans to replace some 80 percent of its

fleet with the lower-cost JSF.) CBO multiplied annual steady-state purchases for each type of aircraft by the estimated cost for each replacement to estimate total steady-state procurement costs for the Air Force's fleet of tactical aircraft. That estimate ranges from \$5 billion to about \$8 billion a year.

Steady-state procurement funding relates only to the size and type of systems purchased; it is independent of the current amount of the procurement budget. Implementation of actual plans could bring annual budgets that are higher or lower than steady-state levels. If DoD bought all systems in the annual quantities reflected in a steady-state estimate, inventories of equipment would eventually be evenly distributed throughout the age range from new deliveries to systems at retirement age. For inventories with such an age distribution, annual retirements would be steady rather than varying from year to year, as would happen if systems were purchased unevenly. The average age of each type of equipment would eventually equal half the equipment's service life and would neither increase nor decrease thereafter. Thus, steady-state funding would ensure that a fleet's average age remained stable at the half-life of that fleet's expected service life.

Appendix B

Selected Acronyms and Abbreviations

AAV: amphibious assault vehicle

ABL: Airborne Laser

C4ISR: command, control, communications, computers, intelligence, surveillance, and reconnaissance

CBO: Congressional Budget Office

CVN: Aircraft Carrier, Nuclear-powered

DoD: Department of Defense

ECI: employment cost index

EFV: Expeditionary Fighting Vehicle

FCS: Future Combat Systems

FUR: Future Utility Rotorcraft

FYDP: Future Years Defense Program

GDP: gross domestic product

GMD: Ground-Based Midcourse Defense System

HIMARS: High-Mobility Artillery Rocket System

JHL: Joint Heavy Lift

JSF: Joint Strike Fighter

KEI: Kinetic Energy Interceptor

LAV: Light Armored Vehicle

LCA: Light Cargo Aircraft

LCS: littoral combat ship

LHA(R): Landing Helicopter Assault (Replacement)

LRSA: long-range strike aircraft

LUH: Light Utility Helicopter

MDA: Missile Defense Agency

MILPERS: military personnel

MLRS: Multiple-Launch Rocket System

MPF(F): Maritime Prepositioning Force (Future)

O&M: operation and maintenance

O&S: operation and support

OMB: Office of Management and Budget

SAR: Selected Acquisition Report

STSS: Space Tracking and Surveillance System

TOA: total obligational authority

UCAV: unmanned combat air vehicle